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# Daily Report

# East Asia

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# Daily Report
## East Asia

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# Japan

## Tokyo Rejects Government-Level Talks on Kodak

*OW0210045895 Tokyo YOMIURI SHIMBUN in Japanese 1 Oct 95 Morning Edition p 6*

[By Masakazu Nosaka]

[FBIS Translated Text] Washington 29 Sep — On the basis of Section 301 of the U.S. Trade Act, Eastman Kodak Corp. filed a suit, saying that Japan's film and photographic paper market is closed to foreign countries. In this regard, on 29 September the Japanese Government rejected holding government-level negotiations with the United States under Section 301. The government also informed the United States of its view, saying that a complaint should first be filed by Eastman Kodak, Japan, with the Fair Trade Commission.

This was disclosed on 29 September by a source concerned.

The Fair Trade Commission has jurisdiction over competition measures in the film market and other matters and is trying to strengthen application of the Antimonopoly Act. The Japanese Government insisted that a decision on this issue should first be made by the Fair Trade Commission. Since some people are critical of the Fair Trade Commission's stand, however, the U.S. Government and Eastman Kodak are holding back their response to this proposal.

U.S. Trade Representative Mickey Kantor was explaining the prospects of holding a government-level meeting as early as this fall. But the concept of holding the meeting has become shaky, because of the new proposal from the Japanese Government.

## Murayama Says 'Super 301' Not Binding on Tokyo

*OW2909111395 Tokyo KYODO in English 1102 GMT 29 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 29 KYODO — The U.S. "Super 301" trade clause has no binding power over trade with Japan, Japanese Prime Minister Tomiichi Murayama said Friday [29 September].

Meeting reporters, Murayama said, "the provision is a U.S. domestic law. It is not binding (for Japan)."

Murayama made the comment in response to U.S. President Bill Clinton's executive order Wednesday to extend the super 301 provisions for another two years.

Japan's paper and wood product markets are placed under Super 301 monitoring, with the possibility that sanctions could be implemented.

Murayama said both parties should first seek a solution to the paper trade dispute on a bilateral basis. If the talks do not get anywhere, then the issue should be left to rules under the World Trade Organization, Murayama said.

Chief Cabinet Secretary Koken Nosaka was critical of Washington's extension of the Super 301 clause.

"The clause would make a unilateral measure possible and we have to express our strong concern," said Nosaka at a news conference.

International Trade and Industry Minister Ryutaro Hashimoto said Super 301 is inconsistent with rules stipulated under the WTO.

"I have to repeat that the clause is a system that has problems in light of WTO rules," Hashimoto told a news conference.

Hashimoto said slow sales of U.S. paper products in Japan stem from insufficient U.S. marketing efforts rather than the nature of the Japanese market.

Japan's paper imports increased 12 percent in the year which ended March 1994 while shipments from the United States dropped 4 percent, he said.

"This signals the lack of marketing efforts on the U.S. side," he said.

The office of the U.S. Trade Representative (USTR) designated Japan's paper, paper product and wood product markets under the section labeled "the future warrants identification as priority foreign country practices" for the second year a row in its annual Super 301 report to U.S. Congress.

The USTR cited structural barriers such as exclusionary business practices and a closed distribution system as continuing to impede access for U.S. products.

Under Super 301, countries identified under "priority foreign country practices" in the annual report are subject to USTR investigations with possible sanctions.

## Murayama Seeks Governor's Help in Base Issue

*OW0210045795 Tokyo KYODO in English 0418 GMT 2 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 2 KYODO — Prime Minister Tomiichi Murayama said Monday [2 October] he hopes the issue of land use by U.S. military forces in Okinawa can be resolved through negotiations instead of through a court battle.

Murayama met with Defense Agency chief Seishiro Eto and the head of the Defense Facilities Administration Agency, Noboru Hoshuyama, on Monday morning to discuss Okinawa Gov. Masahide Ota's refusal to meet with central government officials.

Hoshuyama went to Okinawa over the weekend to meet with Ota to discuss the future leasing of U.S. bases, but the Governor spurned all efforts by Hoshuyama to meet him.

With the public still incensed over the alleged rape of an Okinawan schoolgirl by three U.S. servicemen in early September, Ota announced last week that he would not cooperate with the central government in continuing to force Okinawans to rent land to U.S. forces.

"We do not want to see this end up in court and will do as much as possible (to resolve the issue)," Murayama said after the meeting.

Eto also told reporters that he is ready to go to Okinawa if it helps to resolve the issue.

Chief Cabinet Secretary Koken Nosaka said, "We are very concerned that the situation has come to this and we completely understand the feelings of the people."

"The feelings of the people in Okinawa are the same as the people nationally and we want to seriously study this problem," said Nosaka.

Hoshuyama heads the agency in charge of providing land to U.S. bases in Japan. This past weekend, he hoped to gain Ota's cooperation in asking landowners and municipal government leaders to sign the necessary documents to approve the rental.

The central government is preparing for some 2,900 Okinawan landowners to rent about 387,000 square meters of land at 13 U.S. military facilities, before rental terms expire in March 1996 and May 1997.

Some municipal government heads and 33 landowners, however, have refused to sign the documents to renew use of the 35,000 square meters they own.

If landowners and municipal leaders refuse to comply, the law requires the governor to sign the documents. If the governor also refuses, the prime minister can file a suit requesting that the governor carry out his duties.

With court backing, the prime minister can then sign the documents if the governor does not comply.

The rape incident has fueled calls by local leaders and citizens for a reduction in the U.S. military presence in Okinawa, home to about 24,000 of the 44,000 U.S. military personnel stationed in Japan and 75 percent of U.S. military facilities.

### Official Hints at Need To Revise SOFA Accord

*OW0210051095 Tokyo KYODO in English*
*0434 GMT 2 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 2 KYODO — A senior member of the ruling coalition partner Liberal Democratic Party (LDP) indicated Monday [2 October] the need for a revision of the bilateral agreement on the status of U.S. military personnel in Japan, a cabinet spokesman said.

Taku Yamasaki, chairman of the LDP's policy affairs research council, signaled his readiness to seek a revision of the accord in connection with the alleged rape of a schoolgirl by three U.S. servicemen in Japan's southernmost prefecture of Okinawa in early September.

He spoke at a meeting of government and ruling party leaders, deputy chief cabinet secretary Hiroyuki Sonoda told a news conference.

Yamasaki told the meeting Tokyo may need to call for a revision of the pact should Japanese and U.S. experts fail to produce good results from their talks on reviewing the legal aspects of the Status of Forces Agreement.

The experts of the two countries are debating potential improvements in the implementation of the criminal jurisdiction procedures within the framework of the current pact.

It is feared, especially on the part of the United States, that any revision of the agreement could lead to a review of the bilateral security arrangements.

### Murayama Advisory Panel Begins Discussion on UN

*OW2909140895 Tokyo KYODO in English*
*1158 GMT 29 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 29 KYODO — A private advisory panel to Prime Minister Tomiichi Murayama on Friday [29 September] kicked off debate on proposed reform of the United Nations and Japan's role in the world body.

"We should take note of what proposals for UN reform Japan will make and what role Japan will play in a reformed U.N.," the premier said at the outset of the 10-member panel's discussion at his official residence.

The main objective of the group, chaired by Kinhide Mushakoji, a professor at Meiji Gakuin University, is to provide some insight for Murayama prior to his planned speech before a special session of the UN General Assembly in late October.

The group will offer no recommendations on what should be included in Murayama's speech or what Japan should do to reform the U.N., Mushakoji told reporters.

Panel members include Kuniko Inoguchi, a professor at Sophia University, journalist Hiroyuki Ishi and Toshiki Mogami, a professor at International Christian University.

The advisory group is scheduled to hold the second meeting on Oct. 6 and the third on Oct. 13. It plans to continue the discussions beyond the premier's UN speech.

### Takemura, Australia's Willis on IMF Program

*OW0210112695 Tokyo KYODO in English 1056 GMT 2 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 2 KYODO — Australia is ready to take part in a scheme to expand the special loan quota of the International Monetary Fund (IMF) if its financial burden is decided fairly, Australian Treasurer Ralph Willis reportedly said Monday [2 October].

Willis told Japanese Finance Minister Masayoshi Takemura that Australia is willing to take part in a program to double the IMF's loan quota under its General Agreement to Borrow (GAB) but contributions by new participants, including Australia, should be set in an "equitable" manner, Japanese Finance Ministry officials said.

The Group of Seven (G-7) industrialized nations — Britain, Canada, France, Germany, Italy, Japan and the United States — agreed during their July summit in Halifax, Canada, to work out a framework for the funding scheme at an early time.

Based on the agreement, the so-called Group of 10 — the G-7 forum plus Belgium, the Netherlands, Sweden and Switzerland — are considering asking Australia, South Korea and other economic powers to join the program.

Takemura replied he hopes new participation in the IMF program will be achieved fairly, the officials said.

He told Willis the G-10 group has yet to come up with specific ways for new participants to share the burden in the GAB expansion program, the official said.

As soon as a basic agreement on the matter among the G-10 nations is struck, the group will formally invite Australia and other nations to the new program, Takemura was quoted as saying.

IMF loans under the GAB are intended to offer quick, special short-term loans to countries with urgent currency crises such as that seen in Mexico. It has not been invoked since 1978 when the U.S. received a loan for its efforts to defend the dollar.

The present GAB loan quota is 26 billion dollars, consisting of contributions from 11 countries under the G-10 group.

The quota is to be expanded by another 26 billion dollars with contributions by the 11 nations to account for half that amount and the other half to be probably assumed by new participants, financial sources said.

The sources said the IMF has approached South Korea, Singapore, Australia and Spain to have them take part in the funding scheme.

The matter is expected to be discussed at a meeting of finance ministers and central bank governors of the G-7 nations in Washington in early October, coinciding with a general meeting of the IMF.

## Reportage on Latest French Nuclear Testing

### Murayama: 'Deep Disappointment'

*OW0210015495 Tokyo KYODO in English 0116 GMT 2 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 2 KYODO — Prime Minister Tomiichi Murayama on Monday [2 October] expressed "deep disappointment" over the latest French nuclear testing.

Murayama made the comment in a brief encounter with reporters at his official residence.

France on Sunday conducted its second nuclear test in the south Pacific in a month.

Takashi Hiraoka, mayor of the atomic-bombed city of Hiroshima in southern Japan, denounced the French nuclear test, saying the action "shakes the trust of the international society from its very foundation."

Hiraoka called on other nuclear powers not to ignore the French nuclear test, calling on them to protest to Paris over the latest test and call for an immediate halt to further testing.

"The French Government should recognize that peace cannot be achieved by depending upon nuclear weapons," the Hiroshima mayor said.

### Kono Summons French Envoy

*OW0210045495 Tokyo KYODO in English 0246 GMT 2 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 2 KYODO — Foreign Minister Yohei Kono summoned French ambassador to Japan Jean-Bernard Ouvrieu on Monday [2 October] to protest France's second nuclear explosion this year in the south Pacific.

At the outset of their meeting at the foreign ministry, Kono told Ouvrieu that Japan has repeatedly made clear its stance opposing testing of nuclear weapons since France began a series of tests last month.

"It is truly regrettable if (France) has not understood very well Japan's consistent position on this matter," Kono said.

Prior to his meeting with the envoy, Kono told reporters that "Japan will strongly protest the latest French nuclear test, which was carried out in the face of strong international protests, including at the United Nations."

On Sunday, France carried out the second of a series of tests of nuclear weapons on the Fangataufa atoll in the south Pacific, sparking immediate protests in Japan.

Prime Minister Tomiichi Murayama expressed "deep disappointment" at the French test.

Takashi Hiraoka, mayor of the atomic-bombed city of Hiroshima, said the French action "shakes the trust of the international society to its very foundation."

Hiroshima Gov. Yuzan Fujita also protested the French nuclear test. In a special statement, he called for an early signing of the Comprehensive Test Ban treaty.

Chief Cabinet Secretary Koken Nosaka issued a statement saying Japan "strongly regrets" the nuclear testing and that it will urge France not to repeat it.

In the series it began last month, France plans to carry out six to seven nuclear explosions up to the end of may next year.

### Key Officials Note Objections

*OW0210060995 Tokyo KYODO in English 0535 GMT 2 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 2 KYODO — Foreign Minister Yohei Kono on Monday [2 October] protested France's second nuclear test in its current series in the south Pacific, and said Japan should consider stronger measures to convey its opposition to the tests and change Paris's stance.

At a press conference after summoning French ambassador to Japan Jean-Bernard Ouvrieu, Kono said it would be difficult for Tokyo to express stronger opposition since it already has protested at the highest level, from Prime Minister Tomiichi Murayama to French President Jacques Chirac.

"We have to consider a higher level, or stronger ways to convey (Japan's protests)," Kono said. "But at the moment we can't think of a higher level than that."

Foreign ministry officials said Japan puts a high priority upon arranging a meeting between Murayama and Chirac later this month in New York when they attend an event commemorating the 50th anniversary of the foundation of the United Nations.

The Japanese Government sent a special envoy to Paris last month after France conducted the first of a series of tests in the south Pacific.

Tokyo also plans to submit a resolution to the UN calling for an end to nuclear tests, but it does not plan to name France and China in the resolution.

France's second nuclear test in Fangataufa atoll in the south Pacific on Sunday (Monday morning Japan time) sparked immediate protests in Japan.

Prime Minister Tomiichi Murayama expressed "deep disappointment" while the mayor of the atomic-bombed city of Hiroshima, Takashi Hiraoka, said the French action "shakes the trust of the international society to its very foundation."

Chief Cabinet Secretary Koken Nosaka issued a statement saying Japan strongly regrets the nuclear testing and that it will urge France not to repeat it.

Japan "can't understand why, after the indefinite extension of the nuclear Nonproliferation Treaty, (some) nuclear states conducted or planned nuclear tests against the feelings of nonnuclear countries," Kono told the press conference.

He said he asked the French envoy to once again convey to the French Government Japan's consistent policy of opposition to nuclear tests which he delivered personally to French foreign minister Herve de Charette last week in New York.

"It is truly regrettable if (France) has not understood very well Japan's consistent position on this matter," Kono said at the outset of the meeting with the French envoy.

The Japanese ambassador to Paris, Koichiro Matsuura, plans to convey Japan's stance to the French side soon, ministry officials said.

The Japanese foreign minister quoted Ouvrieu as saying France will not rescind its plan to go ahead with the rest of the tests. Paris planned to carry out eight tests in the current series through next may.

"France understands very well the sentiment of the Japanese people, but France has its own security policy and it has no plans to change this policy, which had been decided by President Chirac himself," Kono quoted the ambassador as saying.

The French ambassador declined to comment after his meeting with Kono.

But asked if he is worried about the Franco-Japanese relations, he replied, "of course, of course."

Finance Minister Masayoshi Takemura, who is head of the minor governing coalition member New Party Sakigake [Harbinger], told reporters that he regrets France's second test.

"Carrying out the test in the face of mounting world opinion shows their thinking is out of date," Takemura said. "Arrogant is the only way to describe it."

Takemura drew criticism from France in September after he participated in a rally in Tahiti to personally protest the tests.

He said the government should consider recalling Japan's ambassador to France in protest.

"This is not the era of Napoleon or De Gaulle," Takemura said. "The world is getting smaller and amid this growing closeness, what is the point of one country being so busy carrying out tests and pressing its claim just for its own security?"

Other protests came from Tokyo Gov. Yukio Aoshima who issued a statement describing the test as "extremely regrettable" and from Koichi Kato, secretary general of the largest governing coalition member, the Liberal Democratic Party.

Kato said France carried out the test despite world opinion and Japan, the only country which suffered from atomic bombs in World War II.

In Tokyo on Monday morning, protesters gathered outside the French embassy, including five Buddhists, members of antinuclear organizations and helmeted students, some of whom became involved in a scuffle with security guards.

Nagasaki Mayor Itcho Ito said in a statement that "tests which are for the development of new nuclear warheads run totally counter to the trend of the times and are a policy mistake."

"I want President Chirac to consider as a politician the growth in world opinion and the results of surveys which show that a majority of the French people say the tests should not be carried out, as well as the fall in his support."

Also in Nagasaki, the head of the Nagasaki Confederation of A-Bomb Sufferers organizations, Senji Yamaguchi, said A-bomb victims consider the tests "unforgivable."

"Does President Chirac intend to use nuclear weapons?" Yamaguchi said. "President Chirac is ignoring the mounting voices of opposition from the French people, his own nation."

The Japanese Trade Union Confederation (RENGO), Japan's largest labor organization, also demanded the immediate cessation of the tests, saying it will call on its 8 million members to protest.

Kansei Nakano, a senior official of the main opposition party Shinshinto (New Frontier Party), called for the government to "react strongly" to the tests.

### Group Leaves for Moscow To Help Economic Reform

*OW2709122395 Tokyo KYODO in English 1205 GMT 27 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 27 KYODO — The Ministry of International Trade and Industry (MITI) on Wednesday [27 September] dispatched a mission to Moscow to help in Russia's conversion to a market economy, ministry officials said.

The officials from the Japan Development Bank and the Industrial Science and Technology Agency will give seminars for Russian government economists on the bank's know-how in selecting industrial areas requiring concentrated investment as well as its methods of financing projects and assessing their progress, the officials said.

The mission will also hold similar seminars in Prague and Budapest by Oct. 6, the officials added.

### Rice Talks With Pyongyang on 1 Oct 'Failed'

*OW0110094295 Tokyo KYODO in English 0901 GMT 1 Oct 95*

[FBIS Transcribed Text] Beijing, Oct. 1 KYODO — Japan and North Korea failed Sunday [1 October] to reach accord on details of Tokyo's additional rice aid for Pyongyang but both sides are expected to continue the talks.

Delegates from the two sides refused to disclose the outcome of the two-day new round of talks in Beijing which was originally scheduled to end Sunday.

The two sides appear split over details of a deferred payment formula for the 200,000 tons of rice Japan has offered to provide to North Korea to help ease the communist country's food shortage, sources familiar with the talks said.

The proposed supply follows the provision of 300,000 tons, half for free, negotiated in June.

Parallel to the rice talks, the two countries are understood to be exploring the possibility of resuming negotiations to normalize bilateral diplomatic ties, but both sides have refused comment.

Normalization talks have been suspended since the last round was adjourned in November 1992 in a dispu over several issues, including Tokyo's demand for information on a Japanese woman allegedly abducted by North Korean agents.

### MOF: Foreign Reserves Increase Global High

*OW0210091595 Tokyo KYODO in English 0825 GMT 2 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 2 KYODO — Japan's foreign exchange reserves increased 13.47 billion dollars in September to set another world record of 179.86 billion dollars at the end of the month, the Ministry of Finance [MOF] said Monday [2 October].

The figure topped the previous global high of 166.39 billion dollars the nation marked in August, setting a world record for the eighth straight month since February.

September was the 23rd consecutive month to post a monthly increase in outstanding foreign reserves since November 1993, the ministry said.

The foreign reserves include convertible foreign currencies, gold and international monetary fund special drawing rights.

September marked the 19th consecutive record month for the nation's outstanding foreign reserves, a ministry official said.

The increase in foreign reserves stemmed mainly from profits from fund management and dollar-buying market interventions, the official said.

The Bank of Japan reportedly purchased a near-monthly record 11 billion dollars in its market interventions during the month in a bid to boost the domestic economy, which has been battered by the high yen.

The largest single-day intervention for the month came Sept. 8, when the central bank was reported to have purchased a total of 5 billion dollars in a bid to push the dollar over the 100 yen benchmark.

On the same day, the central bank halved its official discount rate to an historic low 0.5 percent from 1.0 percent to stimulate the flagging economy.

As the dollar softened toward the end of the month after hitting a Tokyo peak for the month of 104.70 yen, the central bank reportedly bolstered the daily size of its dollar-buying operations. It reportedly bought some 4 billion dollars Sept. 22 alone.

The 13.47 billion dollar increase in foreign reserves in September compared with the biggest such growth of 15.58 billion dollars in March and the second largest at 12.15 billion dollars in April, the official said.

The dollar started the month at 97.38 yen in Tokyo and ended the month at 98.05 yen, with its monthly high at 104.68 yen Sept. 19 and its low of 96.85 yen Sept. 4, according to the official.

As of the end of July, Japan remained the world's largest holder of foreign reserves for the 23rd month in a row, amassing 158.4 billion dollars.

Taiwan was second with reserves of 101.2 billion dollars, followed by the United States with 94.8 billion dollars.

Germany ranked fourth by posting 88.3 billion dollars in its foreign reserves, followed by Singapore that marked 65.7 billion dollars.

Statistical comparisons were conducted on the basis of the most recent data available by countries in view of the different timing with which they release such data.

The Taiwanese figure was released at the end of June, while that for Singapore came at the end of May.

### Ministry Reports Decline in Tax Revenues

*OW0210080695 Tokyo KYODO in English 0657 GMT 2 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 2. KYODO — Japan's tax revenues in August came to 4,320.53 billion yen, down 2.7 percent from a year earlier, the Finance Ministry said Monday [2 October].

This brought the fiscal 1995 cumulative total at the end of the month to 13,276.56 billion yen, down 2.6 percent from a year before, the ministry said.

The decrease in August tax revenues stemmed mainly from a 7.7 percent yearly decline in revenues from income tax withheld and collected at source on salaries that month, a ministry official said.

The cumulative total of revenues from income tax withheld and collected from wage earners by employers also dropped from year-earlier levels, because of monthly tax cuts made under overall reform of the progressive levy system, contributing to the 4.3 percent fall in tax revenues for the April-August period, the official said.

Overall income tax revenues — both collected at source and through the self-declaration formula — fell 7.9 percent in August from a year earlier to 1,730.05 billion yen, with the cumulative total for the April-August period amounting to 6,936.10 billion yen, down 4.4 percent from a year before.

Corporate tax revenues shrank 8.0 percent from a year earlier to 715.91 billion yen, with the cumulative total coming to 1,406.77 billion yen, down 5.0 percent.

The official traced the decline mainly to a decision by Toyota Motor Corp. to move its annual financial book-closing month to March from June, which put a squeeze on the overall August corporate income tax revenue.

Revenues from inheritance taxes shot up 60.3 percent from a year earlier as a result of a reaction to the legally scaled-down inheritance tax income in the corresponding month a year ago, when the ministry allowed taxpayers to defer such payments under a tax system modification.

Liquor tax revenue fell 3.3 percent due to lower beer consumption that stemmed from the rainy weather in the month. Beer accounts for some three quarters of the overall liquor tax income in both value and volume terms.

Revenues from securities transaction taxes rose 16.5 percent to 36.89 billion yen due to a pickup in the stock market for the month.

Although the stock market has been slumping over the past several months, it drew at least provisional strength from a weaker yen and prospects of higher earnings by export-oriented makers.

### BOJ's Special Loans to Failed Banks Discussed

*OW0210095395 Tokyo KYODO in English 0902 GMT 2 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 2 KYODO — The outstanding balance of special loans from the Bank of Japan [BOJ] to three recently collapsed financial institutions totaled 940 billion yen at the end of September, the BOJ said Monday [2 October].

The unsecured loans were made to Cosmo Credit Corp., Kizu Credit Union and Hyogo Bank under Article 25 of the Bank of Japan Law.

Due to huge nonperforming loans, Cosmo was forced to stop operations in July and Kizu and Hyogo Bank collapsed in August.

The combined balance was revealed in the revised report announced Monday by the BOJ on the fund supply and demand situation on the money market in September.

At a press conference Sept. 20, BOJ Governor Yasuo Matsushita said the combined balance of BOJ special loans to the three institutions totaled about 760 billion yen.

Monday's report showed the balance increased by as much as 180 billion yen by the end of September.

The BOJ will continue to disclose the combined balance of special loans to the three institutions in a revised report on the money market condition to be announced at the beginning of each month. But the central bank will not reveal the balance on an individual basis.

### Editorial on Ways To Clean Up Bad Loans

*OW2909132795 Tokyo NIHON KEIZAI SHIMBUN in Japanese 28 Sep 95 Morning Edition p 2*

[Editorial: "Speedily Clean Up Bad Loans According To Clear-Cut Rules"]

[FBIS Translated Text] The rest of the world is wary of Japan's shaky banking system. The cleaning up of huge bad loans has been delayed and the settlement of widespread bankruptcy has been slow. Under this situation, the Banking System Stabilization Committee of the Banking System Research Council (an advisory body to the finance minister) has compiled a report urging the use of public funds to resolve these monetary issues. The government should lay down clear-cut rules for cleaning up the bad loans to prevent apprehensions about Japan's banking system from further spreading around the world. No progress has been made in cleaning up the bad loans, which the Finance Ministry has announced amount to approximately 40 trillion yen, although four years have passed since the bubble economy burst. The Tokyo Kyowa Credit Union, the Cosmo Credit Union, the Anzen Credit Union, the Kizu Credit Union, and the Hyogo Bank have gone bankrupt in a row. No plans have been worked out to deal with their bankruptcies. A U.S. branch of the Daiwa Bank lost huge amounts of money from unauthorized bond dealings. Japanese financial authorities have been deluged with questions from other nations about Japan's banking system and Japanese banks have continued to suffer falling credit ratings.

Japan's economy is still mired in misgivings about Japan's banking system because of a lack of clear-cut rules under which monetary problems are resolved. The conventional claptrap way of handling monetary problems has now reached its limits. The waste of time can no longer be tolerated.

The Banking System Stabilization Committee report attempts to set a direction for an early solution of the bad loans issue. The report underlines the need to create a system under which regulators take control of bankrupt financial institutions at a time when they are laden with overly burdensome debts. It is a matter of course to create such a system to prevent the cost of dealing with those bankrupt financial institutions from ballooning.

It is inevitable to use public funds to help the bankrupt financial institutions write off their bad loans only for five years. Perhaps it is an inevitable choice to use public funds for an early rescue of those financial institutions even prior to their bankruptcy to diffuse misgivings about Japan's banking system.

It is necessary to strengthen the existing deposit insurance institutions as a safety valve for the banking system. As the report points out, it is desirable to consider raising the current insurance premium.

Housing loan companies are laden with 8.4 trillion yen in bad loans, but the report stops short of giving specific details of how their bad loans should be dealt with. The report holds the government responsible for the bad loans, saying it has failed to get banks having stakes in those housing loan companies involved in their management and to put brakes on their loans for real estate. This point is noteworthy. The report also proposes creating a financial body with the mandate of dealing with the bad loans. The report does not mention which financial institutions should take over the bad loans, but only urges the banks investing in the housing loan companies and agriculture-related financial institutions to realize their responsibility for the bad loans and to make efforts to clean them up. If the present situation is left to continue, it is feared that the agriculture-related financial institutions and the banks investing in the housing loan companies will try to shift the responsibility for the bad loans to each other. The agriculture-related financial institutions seek to hold the banks responsible and the banks try to hold the housing loan companies responsible.

The report fails to open prospects for cleaning up the bad loans. It is indispensable to make clear who is responsible for the bad loans in the bankrupt financial institutions, to streamline the management of the bankrupt financial institutions, and further disclose information about their management. At the same time, the financial oversight authorities must be reorganized. What is needed in dealing with the bankruptcies are not government measures, but a strict scrutiny of the bad loans and their fair handling by a neutral body.

Handling the bad loans should not be left in the hands of bureaucrats. Both ruling and opposition parties are being asked to assume the political responsibility of mapping out a package of concrete measures according to clear-cut rules and unveiling it to deal with the financial institutions and housing loan companies that are laden with the bad loans. Handling the bad loans is shifting from discussions to a decision. If the decision is delayed, the distrust in Japan will further spread in the world market.

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## Eunetcom Expands Global Network to Tokyo

*OW2809132295 Tokyo KYODO in English 1133 GMT 28 Sep 95*

[FBIS Transcribed Text] Tokyo, Sept. 28 KYODO — Eunetcom, the joint venture between Deutsche Telekom and France Telecom which provides global telecom services to multinational companies, announced Thursday [28 September] the installation in Tokyo of a new gateway to its international network and a marketing campaign to win Japanese corporate clients.

The rival of two similar frame relay service providers — Concert and Unisource — said it will provide Japanese clients with frame relay transmission services with direct access to Europe, the United States and many other countries.

A frame relay involves a high-speed, highly efficient packet transmission technique. Eunetcom provides the service on the basis of submarine fiber-optic cables partially owned or leased by France Telecom and Deutsche Telekom.

Eunetcom Vice President Hugues Ferreboeuf told a news conference at a Tokyo hotel that exploring the Japanese market is crucial for Eunetcom, as "we are targeting international companies" and "15 to 20 percent" of them are Japanese.

To this end, Eunetcom will take advantage of a "node" it has just installed in Tokyo in the premises of Deutsche Telekom K.K., a wholly-owned Japanese subsidiary of Deutsche Telekom ag.

A node is a switching center-cum-gateway to a national telecom network and a private infrastructure of telecom carriers like Eunetcom, which has a global network of 91 nodes connected with 2,400 customer sites throughout the world.

He said Eunetcom has already concluded business contracts with three clients with offices in Japan — Japanese Internet access provider Global Online, the American tobacco maker R.J. Reynolds Tobacco International Inc., and Dun and Bradstreet, a U.S. information service firm.

Eunetcom is offering four types of multimedia service — managed bandwidth services (MBS), private network solutions (PNS), complex management services (CMS) and telecommunications consultancy and management services (TCMS).

Of the four, CMS is the most elaborate, as it combines frame relay service with the provisional transfer of Eunetcom engineers and assets to allow its customers to concentrate on their core business, freeing them from the daily task of telecom management.

Eunetcom's comparative strength lies in its highly reliable interconnectability, although its charges may not be lower than those of its competitors, according to Ferreboeuf and Paul Kuhn, president of Deutsche Telekom's Japanese unit.

Kuhn told the same news conference, "we promise customers the availability of the connection of 99.99 percent. This means that we have everything double in this."

"Switches are double, multiplexers are double, and we have diverse routings, which mean we have cable connections with NTT and TTNET. We have a double power supply system and we have double fire extinguishing systems," he said.

He added, "and we hope it will withstand earthquakes. But earthquakes are acts of god, so we cannot pay (compensation) to customers if connections are broken."

### New Toyota President Discusses Policy

*OW2909133095 Tokyo BUNGEI SHUNJU in Japanese Oct 95 pp 152-159*

[Summary of remarks by Hiroshi Okuda, president of Toyota Motor Corporation, at an interview with Masaaki Sato, NIHON KEIZAI SHIMBUN special editorial staff member: "From Toyoda to Toyota"; time and place not given]

[FBIS Translated Text] When I was informally designated president of Toyota Motor Corporation in August, I said at a news conference: "If I had been 10 years younger, I would have accepted the position with pleasure." What I said seems to have given birth to various rumors. I did not say it just as a problem of Toyota Motor Corporation. I also meant to convey my cherished opinion: the change of generations. The reason is that I had long held the view that not only Japan's enterprises, but also its financial and political circles, should attempt rejuvenation.

Whenever I associate with top executives of European and U.S. enterprises, I realize that their average age ranges from the latter half of 40 to the first half of 50. I will be 63 years old in December this year. It is physically and spiritually difficult for me to associate with them, and I often feel that I am behind them in ways of thinking about things.

Even at the Japan-U.S. Business Conference, Japanese and U.S. representatives differ in age as parent and child. The generation gap between Japanese and U.S. representatives comes before the difference in their positions, and close partnership between them can hardly be expected. Furthermore, with the economy in a borderless state, top executives are placed in the situation where they always have to fly about the world. The fatigue of traveling and the barrier of a time differential will cause the difference in power that cannot be covered by experience or spiritual power. Is this not to our disadvantage?

This is what I meant by "If I had been 10 years younger."

However, now that I have accepted the position of president, I only serve a two-year term just for the sake of the change of generations. However, to prevent future cases of one becoming president after the age of 60 like myself, I would like to promote, first of all, the rejuvenation of executives within Toyota. Even at the reelection of executives in September last year, the average age remained almost the same, although there was a change in personnel.

From now on, I think we must conduct personnel management in which executives become younger at every reelection. I hope that this will lead to the change of generations all over Japan.

#### Age of "Private Sector Diplomacy"

The above subject is closely related to the reasoning we learned in the recent Japan-U.S. automobile negotiations. On reflection, we have realized that Japan's industrial circles have heavily depended on the government, which is evident when we observe the course of negotiations.

It is true that there was a time when the business circles made good progress only if they followed administrative guidance, leaving to the Ministry of International Trade and Industry [MITI] "diplomatic problems," such as the ideal way of Japan-U.S. relations and fair trade rules. However, now things do not go well unless private enterprises of both sides consider those problems in a broad perspective. In short, it seems that the age of nongovernmental diplomacy has come.

Negotiations between MITI and the U.S. Trade Representative Office or the Commerce Department, that is, negotiations between governments or public offices tend to assume the aspect of "theological disputes," because such organizations value legal disputes, or fundamentals and general principles. The same can be applied to the recent Japan-U.S. automobile negotiations.

Therefore, to actually find the point of compromise in the recent negotiations, private enterprises should have made a timely quest for it and should have presented it. It cannot be helped if MITI said that it could not present objective targets in place of numerical targets. In that sense, I think Toyota, in particular, should have assumed a grave responsibility as a top automaker.

To perform such a responsibility, we must establish a reliable relationship with the United States in our own way and know the actual situation of its industries. If we always keep the channels of communication open with the United States, we can prevent friction; and even if it should occur, we can search for a clue to the solution.

Naturally, private enterprises, or businessmen, can vehemently make self-assertions and quickly drop a curtain with a smile. In our negotiations with foreign enterprises, it often happens that we pound the negotiation table or leave the room, saying it is quite out of the question and that we are going home in a plane; when we arrive at the airport, we get a phone call from the other party and have second thoughts (laughter). Even then we do not get into a quarrel, and when we reach an agreement, we shake hands with a smile. This is our style of negotiations. It is good if we can apply such a style of negotiations not only to business but also to problems affecting Japan-U.S. relations.

However, we have entrusted the economic friction issue mostly to the government, so we do not have enough channels of communication when occasion demands. This brought about a situation in which the United States was on the point of applying sanctions. If Japanese private enterprises had had a closer relationship with the U.S. officials concerned, negotiations would have progressed smoothly in a friendly manner even under such a circumstance.

Therefore, not only Toyota Motor Corporation as a private enterprise, but also the Japan Automobile Manufacturers Association Inc., should have made sustained efforts in this matter. In addition to social gatherings between the existing Japan-U.S. Business Conference or the Federation of Economic Organizations [Keidanran], and the U.S. Business Round Table, we intend to establish a frank relationship between Japanese and U.S. private citizens.

I think it is important to establish reliable human relations through social intercourse on an individual basis not only at formal but informal occasions.

Top executives of a new Japan produced through the change of generations should exchange confidences with leading figures of the U.S. Government or businessmen. In this way, they should form big channels of communication and grope for symbiosis, avoiding unnecessary friction. I believe that these endeavors will surely brighten the future of Japan-U.S. relations.

However, even though we can solve the friction problem, we still have international problems as an enterprise. Now the foreign exchange rate problem stands in our way. Recently, the weak dollar has been redressed and the yen has depreciated a little. However, the foreign exchange rate's future is still unclear, and the speculative nature of the foreign exchange rate has not been redressed because the economic fundamentals alone do not determine the foreign exchange rate. There is no knowing when the yen will appreciate again.

When viewed in perspective, it is undesirable for enterprises to have joy and sorrow in quick alternation according to the foreign exchange rate at a particular time. We need to establish a system "free from the foreign exchange rate" — a system that is not influenced by the foreign exchange rate. By a system free from the foreign exchange rate, I mean making cars in a country where the cars can be sold. That is to promote local production — localization.

Let us suppose that there is a type of car that can yield a 1-million-yen profit if it is made in Japan and exported, but a profit of only 0.5 million yen if it is made overseas. Despite that, unless we shift production overseas in advance, the exchange fluctuation of 1 yen will bring a profit or loss of billions of yen.

In the "New Business Plan" submitted to the U.S. Trade Representative Office by Toyota Motor Corporation as a trump card at the last stage of the recent automobile negotiations, we clearly stated that we will promote localization both in Europe and the United States regardless of exchange fluctuation. Therefore, even though yen depreciation continues for some time, we must accomplish localization by all means upon Toyota Motor Corporation's honor .

In overseas business, a great pending problem is how to deal with China, the last colossal market. European and U.S. industries have swept over the Chinese market so far, and there is no denying that Japan's automobile industry as a whole lags behind them.

After due reflection on my past business relations with China, I think we have given up the shift of production bases to China because of two reasons.

One is a technical difficulty in making vehicles within China. Can we expect the same technical perfection from Chinese workers as we do from Japanese workers? Does the parts industry have a wide production base? Does the distribution network of parts and finished cars work smoothly? We have decided that it is undesirable for us to shift production bases to China if things do not go as well as we wish and if Chinese workers cannot make vehicles to our satisfaction.

Even under such imperfect, unsatisfactory conditions, Volkswagen and Daihatsu Motor Co., Ltd. ventured the local production of "Santana" and "Charade" respectively. Now these automobiles are running on the roads in China, and most of the taxis in Beijing belong to these two kinds of automobile. We should say that these two automakers had guts.

Furthermore, the fluctuation of China's open policy made us hesitate to shift production bases to China. China approved a substantial import of finished automobiles at a certain time and then abruptly limited it, which was repeated over and over. During that time, a considerable number of finished automobiles were sold constantly, so there was an opinion in our company that there is no need to shift production bases to China.

However, China has changed. I think the "New Automotive Industry Policy" China adopted last year was in a sense the "last bus" for local production in China. I perceive that the last bus for local production in China has left. Unless we catch up with the bus and get on it, the existence of Toyota Motor Corporation in China will be gone forever.

Although the last bus has left, it took time for it to start, and it is moving slowly, as is often the case with a big country. We will run after the bus with patience, catch up with it somewhere, and get on it. That is what I am thinking.

### We Will Start With "How Do You Do?"

Toyota had plants in Tianjin and Shanghai since the days of Toyota Automatic Loom Co. before the war. We have nostalgia for China because of our long relationship with that country. Therefore, we will never be able to give up the Chinese market for an emotional reason, too. I think we must tackle the Chinese market issue with all the might of Toyota Motor Corporation and Toyota Group.

Just like our relationship with the United States, as the first step toward that goal, we will establish a reliable relationship with China by strengthening personal contacts before everything. We would like to start with that. I will visit China as soon as possible, within the year if possible, and will see with my own eyes China, which is in process of change now, and say "How do you do?" to start with.

Such overseas shifts inevitably raise the question of hollowing out. In short, the question is whether Toyota can maintain its domestic employment.

Frankly speaking, I have a deep sense of crisis about the maintenance of domestic employment. It is not so much a sense of unease as a sense of crisis. However, to avoid misunderstanding, I must say I have no intention of tinkering with domestic employment at this point in time. For this purpose, we must accomplish the domestic production of 3 million units plus. This year's domestic sales target is 2.17 million units, and we would like to add about 100,000 units to the figure. We will increase our exports to the Middle and Near East, maintaining the whopping 1 million units as our total exports. If we cannot accomplish this target, the day will come when we will have to tinker with employment, which has been a "sanctuary."

Thus the maintenance of domestic production is a pressing need, and we must increase domestic sales commensurate with the progress of export localization. However, this year's domestic sales are not encouraging for some reason. We are in a difficult situation where July's market share dropped below 40 percent. That is why my assuming the presidency was ridiculed as an "uphill drive."

Then, what should we do? The analysis of the reason for the depreciation of our domestic market share shows that the market for sedan type passenger cars, which have been our favorite, has relatively sagged and that in addition, the market for recreational vehicles, which have been our impregnable fortress, has been spoiled by other companies. In the fall, we will introduce a new "Crown" sedan, "Granvia" minivan, and "Carib" recreational vehicle in addition to the existing "RAV4" recreational vehicle. We can recover the market share through the introduction of five or six automobiles.

Is that enough? I think we have to tackle the problems of sales networks and of the qualitative reconstruction of parts makers groups.

First of all, auto sales do not go well by a logical, clear-cut method alone. The world of sales is that of love and duty in a sense.

Dealers, who have supported Toyota's sales activities so far, have been its dealers since its establishment, have lived under the same roof, so to speak. They are everywhere in Japan, and we have had a humane sales network, establishing a very close personal relationship.

However, the change of generations has progressed among those dealers, and the age of second-generation dealers has come. I will have a familiar, frank talk with them to find out what they want and what they are thinking about. In this way, I would like to make a new, modern sales network.

I think the same can be said about the relationship with parts makers.

### Our Market Share Should Be More Than 40 Percent

The market share is a necessary target for selling vehicles. Toyota once attained 50 percent of the share in the passenger car market on a month-to-month basis. At that time, the media criticized that it was nonsensical to talk about market share because this was no longer the era of quantity. Nevertheless, I am an advocate of market share.

When we read Japanese stories about World War II, we find that the soldiers always carried a battle flag with care even when they retreated. The reason is that a flag was a necessity as a foundation of human unity and a source of morale. In that respect, it is difficult for absolute quantity to become a flag; it is the market share that can become a flag. The reason is that there is a great difference between 39.9 percent and 40 percent — the difference between paradise and hell; 100 to 0 is what market share is all about.

Under the circumstances, I am going to make 40 percent or more our target and lead everyone to attain it. If Toyota cannot accomplish this, it will face a crisis, including an employment issue. I am going to pursue our aim with this in mind.

As the employment issue came up, I will talk a little about the shaky situation of the Japanese type of management system, which has become the topic of talk. In the midst of such a violent change in the conditions of enterprises' international competitiveness, there are surely things that we must reconsider.

Generally, lifetime employment, seniority payment, and cooperation between labor and management are said to be the Japanese type of management, of which the first two are undergoing a change because of the reconsideration of the wage system, such as mobility of labor and the introduction of an annual salary system.

At present, the Japanese economy, having about a 3-percent unemployment rate, approaches nearly the full employment zone. However, there is a possibility that it will change to the European and U.S. types of economy, which conduct restructuring, including layoffs and discharges.

However, European and U.S. analysts criticize that Japan's restructuring is not restructuring at all or that it is too lukewarm. On the other hand, there is also a view that this is a laudable Japanese custom and is the source of Japan's economic strength. We will grope our way between the Western enterprises that try to increase their profits further by curtailing their working force even if their business conditions are good and Japanese counterparts that try to protect their working force by going so far as to sell their assets by the piece even if business conditions are poor. Moreover, I think we must decide what to do before things come to the very limit.

As mentioned above, my fundamental stance is that domestic employment must be provided by domestic production. I think it also necessary to create new employment through positive participation in new undertakings. However, we must not forget that multiple operation without any fixed principle will rather jeopardize enterprises' foundation for existence.

At the height of the bubble economy in the past, many enterprises ventured upon multiple operation and high-tech finance. And commentators would often say: "It is a shame that Toyota does not engage in these activities. It must be crazy." However, what has become of enterprises that opted for multiple operation after the bubble economy burst? Even Toyota has been unable to find a more profitable type of industry than auto making.

Vice Chairman Tatsuro Toyoda (former president) would often say that the U.S. and European markets have been saturated to a certain degree, but that there are still many parts of the world where people have never been graced with the luxury of vehicles, or there still are many parts of the world where more vehicles can still be sold. I agree with his idea: There is a possibility of a horizontal expansion of auto sales, and that before automakers attempt a vertical expansion, multiple operation, they should pay attention to wide, horizontal areas as their markets.

However, there are new undertakings within our sphere of activity, to which we should pay attention as automakers: for example, how to reduce environmental pollution like exhaust fumes, how to realize fuel-efficiency, how to construct a full-scale recycling system, and so forth.

In addition to the above, we will make a considerable investment in the information and communication sector, which is already being established as a promising industrial field. Our aim will be to make the sales of the nonautomotive sector 10 percent of our total sales.

As to our attempt to recruit entrepreneurs within our company, a manufacturing and selling company of the raw material of ceramics has already been established as our first company. I think it is beneficial for our company to pick the right man within our company and put him in the right place.

However, it is really very difficult for a big enterprise to launch a new venture. In truth, people who apply for a position in a big enterprise show a strong tendency: "If you are to serve, serve the powerful for your own good." Therefore, their traits are very often incompatible with the most necessary spirit for a new venture — an enterprising spirit. As an approach of big enterprises to new ventures, I think they should rather provide funds, as venture capital, to promising entrepreneurs in minor enterprises or entrepreneurs out of the office. To my mind, this is also a practicable project for big enterprises to undertake.

### Toyoda and Toyota

Up to now, I have talked about measures to strengthen Toyota Motor Corporation as an enterprise. Toyota has a stand as the biggest manufacturer in Japan and a stand as the Keidanren chairman's company.

Once the media criticized that Toyota's management policy was "Mikawa's Monroe Doctrine" and that Toyota was moving only for its own interests. I do not think that Toyota deserves such a criticism, but that was the public's evaluation. It is said that Toyota changed little by little through its activities in Keidanren, and that when Chairman Shoichiro Toyoda became chairman of Keidanren, it distinctly emerged from a country feudal lord, a great country enterprise, stationed in Toyota city.

However, according to my work experience in Keidanren under Chairman Shoichiro Toyoda, I have a feeling that Toyota's change was to accommodate itself to the change of the times, not due to Chairman Toyoda's assumption of the Keidanren chairmanship.

It is true that there are cases in which a company, whose chairman is Keidanren chairman, tends to be the first to follow Keidanren's policy, temporarily reducing its strength as an enterprise. For example, to stimulate the stock market, Keidanren has decided to heighten dividend propensity as a part of its policies to attach great importance to the stockholders' position.

Toyota's dividend is 19 yen a year at present. We have made a costlier choice: that from now on we will maintain this dividend even if business deteriorate somewhat; and that we will increase the dividend if our business improves. The higher our cost, the smaller our profit will be; we are prepared for that.

However, if what we do stimulates the stock market, that will lead to an economic recovery and give us an advantage in fund procurement; in short, that will contribute to our business profits. The behavior of the Keidanren chairman's company and the profits of the company as an enterprise do not contradict each other, but are in the same vector space, in principle.

However, of course there will be a discrepancy between the Keidanren chairman's policy and the Toyota president's opinion concerning an individual matter. It would be rather good if such a discrepancy arises. If Keidanren Chairman Shoichiro Toyoda cannot talk without regard to the interests of Toyota, there is no meaning in his having been elected Keidanren chairman.

In that case, I will express my opinions as Toyota's president. I think I was chosen as president for that purpose. If there is no conflict of opinions between us, Toyoda's Keidanren might become Toyota's Keidanren. That is a strange story, is it not?

### Toward Toyota's Second Inauguration

As the name Toyoda came up, in conclusion I will refer to the relationship between Toyota Motor Corporation as I picture it to myself and the Toyoda family.

I am the eighth president since the times of the former Toyota Automobile Industry Co. There are two presidents from outside the Toyoda family: Mr. Taizo Ishida and Mr. Fukio Nakagawa. They are my predecessors who produced remarkable achievements.

However, there are those who say: "President Ishida acted as substitute for Mr. Kiichiro Toyoda, Toyota's founder, who temporarily resigned from the presidency, assuming the responsibility for labor disputes during the period of disorder after World War II. He was a substitute president who was supposed to restore the administration of the company to Mr. Kiichiro Toyoda after the recovery of business results. However, immediately before the restoration, Mr. Toyoda fell sick, so Mr. Ishida served as president for a long time. Mr. Nakagawa succeeded Mr. Ishida and had served as a substitute president until Mr. Eiji Toyoda (present honorary chairman) grew up. The restoration of administration of the company to the Toyoda family had been contemplated in both cases.

However, even if the next generation of the Toyoda family assumes the presidency, that will occur nearly 10 years from now. Therefore, Mr. Okuda will become the first non-Toyoda-family president who need not keep in mind the restoration of management of the company to the Toyoda family."

Put this way, it sounds as if I have usurped power from the Toyoda family. I do not feel that way at all, and I have a feeling that I have become president quite naturally.

Since I entered Toyota, I have served Mr. Eiji Toyoda, Mr. Shoichiro Toyoda, and Mr. Tatsuro Toyoda — the three generations of the Toyoda family. I have learned a lot from them and have been brought up under their instruction, so I have a natural respect for the Toyoda family. Moreover, I think the "spirit of initiative and creation" since old Mr. Sakichi Toyoda has been living in the heart of Toyota.

We cannot deny the history that Toyota Motor Corporation has done well with the Toyoda family at its top. I also wonder if I can find something in place of the role of centripetal force that members of the Toyoda family have played in Toyota's history.

However, the fact that a man from outside the Toyoda family has become president of Toyota Motor Corporation by chance at a time when the world is in such a state of drastic change may be the trend and needs of the times that the paradigm of Toyota's business operations must change.

In that sense, I think I have been charged with a mission: Toyota's second inauguration. I will promote the change of generations, as well as the change of nationalities through internationalization, transforming Toyota Motor Corporation into "Toyota" of international nationality. My mission may be to pave the way for that goal.

## Deregulation of Automobile Industry Viewed

*OW2909055095 Tokyo SEIBI in Japanese Aug 95 p 5*

[FBIS Translated Text] For several years now deregulation has been a hot topic. Most people support deregulation, but there are voices which warn of going overboard on this score.

Nevertheless, it cannot be denied that in the ranks of those responsible for the crime of driving prices up are to be found the bureaucrats who keep creating regulations. At least that is what nearly everyone would like to believe. And from the consumer's point of view, it makes sense to keep doing away with regulations. When it comes to motor vehicles, the first choice would appear to be the area of gasoline. Putting it simply, in the United States you can buy the equivalent of a liter of gas for at most 50 yen. So why should it be that in Japan it is going to cost you several times more? If you start getting into reasons for this situation, many topics are likely to come up, but these really amount to nothing more than excuses. To claim that what is possible in the United States is not possible in Japan simply does not make sense. There are also a lot of problems when it comes to the new car trade. I think many of you are aware of this case, but a mass sales home electric appliance outlet in Fukuoka proposed to start selling new cars cheap. The upshot of the affair was that it abandoned the idea. No, it would be more correct to say that it was forced to abandon the idea.

At present in Japan it is impossible to imagine car lots stocked with 200-300 automobiles, selling cheaply on large turnover.

On the other hand, in the United States quite a wide range of auto sales systems have emerged. There are a large number of direct dealers like those in Japan, but there are also a large number of "single point outlets." Moreover, these have direct contracts with manufacturers. There is no such thing like the system of regional dealerships we have in Japan. To begin with there is no dividing up of territory at all. Consequently, the relations between the dealers and manufacturers are conducted on a relatively fair basis. The producers and retailers are totally independent. It is not just a question of giving lip service to free competition, there is no real way to divide things up among the retailers, and it simply is not done that way.

From the perspective of such a country, the situation in Japan must indeed seem unfair.

Going a little off the track, I would say that it looks like things are going to change one way or the other when it comes to the way new cars are sold in Japan.

Among the three most likely targets for deregulation, we have to name the certified garage system. Currently, service stations and parts dealers are not allowed to change even things like brake pads. Furthermore, are the current regulations on minimum space required for maintenance work really necessary? It is really hard to think of a rational reason for such regulations.

For example, if drivers were able to get necessary parts replacement work done at parts dealers, there is no doubt that prices for replacement parts would come down.

In the United States, there are non-auto manufacturer replacement parts for nearly everything, including exterior body plating. But in Japan people simply expect that they have to use genuine original equipment parts. That is not how things are done in America. After discussing price, a customer can opt for used, overhauled, or nonmanufacturer parts if he so desires.

In the days to come, we are likely to see the type of deregulation that consumers want taking place little bit by little bit. It is hard to say what things will be like five or ten years down the line. One thing is for sure: we will be living in a more economically rational society than we have today.

## Murayama Vows To Keep Coalition Despite Setback

*OW0210063195 Tokyo KYODO in English 0606 GMT 2 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 2 KYODO — Prime Minister Tomiichi Murayama rejected an opposition demand Monday [2 October] to resign over the major setback for his Social Democratic Party (SDP) [of Japan, SDPJ] in July's House of Councillors election.

"We will continue to maintain the coalition and implement reform and responsible politics," Murayama told the House of Representatives, answering questions from Tsutomu Hata, vice president of the largest opposition party Shinshinto (New Frontier Party).

Hata, a former prime minister, made the demand at the outset of parliamentarian questions to cabinet ministers in the 46-day extraordinary Diet session that began Friday.

"The people tangibly showed the intention of no-confidence," Hata said.

Hata said that Murayama has failed to take adequate measures on pump-priming, public investment and financial institutions' bad loans, as well as tax and administrative reform.

Murayama defended his government's economic policy, saying it announced a 14 trillion yen stimulus package last month. He urged the Diet to expedite passing a 5.3 trillion yen second supplementary budget for fiscal 1995 to be submitted to the Diet session as a pump-primer.

The prime minister pledged that the government will draw up measures by the end of the year to solve the issue of bad loans owned by financial institutions within five years.

Hata also said Murayama's diplomatic and defense policies have flatly shown the "contradiction" within his tripartite ruling coalition which combines parties with platforms miles apart.

Hata pounced on the government's plan to submit a bill to this Diet session to tighten controls over religious groups following fatal gassings, murders, kidnappings and other criminal acts allegedly committed by the Aum Shinrikyo religious cult.

The move for amendments of the religious corporation law is based on "political" and "impure" motives, he said. Shinshinto is supported by major lay buddhist group Soka Gakkai.

Murayama said the government has eyed amendments due to social changes since the law was enforced in 1951, without any intention of using the issue for political purpose.

The prime minister also expressed "extreme regret" over France's nuclear test conducted Sunday in the south Pacific.

## Hashimoto Appointed Deputy Prime Minister

*OW0210132195 Tokyo KYODO in English 1306 GMT 2 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 2 KYODO — Prime Minister Tomiichi Murayama on Monday [2 October] appointed International Trade and Industry Minister Ryutaro Hashimoto to concurrently serve as deputy prime minister in line with a power shift in the ruling coalition partner Liberal Democratic Party (LDP).

Murayama made the appointment after Foreign Minister Yohei Kono visited Murayama at the premier's official residence to offer the deputy prime ministership to Hashimoto.

Kono had been LDP president for two years before Hashimoto assumed the top post Sept. 30.

"I told the premier I would like to step aside. I also told the premier to give the post to the new LDP president," Kono said after emerging from his one-on-one session with Murayama.

Murayama, who heads a three-party coalition, accepted the proposal and asked Kono to stay in the post of foreign minister, Kono said.

Although Kono evaded a question on how long he will retain his foreign ministerial position, he is likely to stay in the cabinet at least until the meeting of the Asia-Pacific Economic Cooperation (APEC) forum in Osaka in November.

As Japan is host of this year's APEC gathering, its foreign minister is expected to bear a heavy responsibility in coordinating the conflicting views of the 18-member group to liberalize trade and investment in the region by the target year of 2020.

Kono was elected LDP chief in September 1993 after the party was knocked out of power for the first time in 38 years. He was the first LDP leader to fail to assume the position of prime minister.

Despite the LDP's return to power in June last year, he allowed Murayama, head of the Social Democratic Party, to take the helm of government.

Although he had hoped to run for a second two-year term as LDP president, his alleged weak leadership, represented by the LDP's poor showing in a House of Councillors election in July, sparked a chorus of calls for the party to find a "new face."

In late August, after Hashimoto declared his candidacy for the LDP's top post, Kono made a surprise announcement that he would withdraw from the presidential race.

Hashimoto won the election against former Posts and Telecommunications Minister Junichiro Koizumi, who joined the race after Kono's surrender.

### Coalition Renews Call for Religion Law Revision

*OW0110100595 Tokyo KYODO in English 0859 GMT 1 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 1 KYODO — Top ruling coalition officials lined up Sunday [1 October] to renew their appeal for a revision of the 1951 law on religious groups, putting pressure on the main opposition Shinshinto (New Frontier Party) which opposes it.

"We must seek a solution while paying due attention to the public call for a revision," Liberal Democratic Party President Ryutaro Hashimoto said at a press conference in Okayama, western Japan.

Hashimoto, who also serves as international trade and industry minister, was referring to the public outcry over a series of crimes allegedly committed by the Aum Shinrikyo religious cult and subsequent calls to revise the law that governs religious groups.

Hashimoto noted, however, that the issue should be given comprehensive debate in the Diet because a false step could affect freedom of belief.

Wataru Kubo, secretary general of Prime Minister Tomiichi Murayama's Social Democratic Party, joined Hashimoto in appealing for a revision of the law.

"The situation has changed from the time when the law was enacted. It's quite proper and the Diet's responsibility to debate a review of the law on this occasion," Kubo said on a Japan Broadcasting Corp. (NHK) television program.

LDP secretary general Koichi Kato, speaking on the same public TV program, pointed out that a revision of the law could be effective in preventing a recurrence of criminal cases similar to those attributed to Aum.

But Kato and Kubo suggested that they do not insist on Diet passage of a rewritten law during the 46-day extraordinary session that began last Friday, pointing to the need for due Diet debate on the issue.

Yukio Hatoyama, the No. 2 man of New Party Sakigake [Harbinger], also gave support to a revision of the law and stressed the need to review the preferential tax treatment given to religious corporations.

"As public entities, they are given preferential tax treatment, so they should be obliged to disclose more information on their financial assets," Hatoyama said on the NHK program.

New Party Sakigake forms the tripartite ruling coalition together with the LDP and the SDP.

Speaking on the same program, Takeo Nishioka, deputy secretary general of Shinshinto, said his party does not oppose Diet debate on the issue, but he called for due attention to freedom of belief.

"We don't say formally that we are opposed (to a revision of the law). We're not reluctant to hold debate," Nishioka said.

"But the possibility of the revision affecting freedom of belief cannot be denied."

The issue of whether to revise the law has been in the spotlight after a series of criminal acts allegedly committed by Aum, with the LDP pressing for revision in a move denounced by Shinshinto as aimed at trimming the political clout of Soka Gakkai, a lay Buddhist group that supports Shinshinto.

The ruling coalition plans to submit a bill to revise the law to the extraordinary Diet session following a report by the council on religious juridical persons, a government advisory panel.

The report called for a revision of the law so that religious groups are obliged to disclose more information about financial assets under the jurisdiction of the education minister instead of prefectural governors as at present.

Meanwhile, Shinshinto [New Frontier Party] Secretary General Ichiro Ozawa blasted the LDP-led move toward revising the law on religious groups as unreasonable.

"Even if the religious organizations law must be reviewed to meet changing conditions, the (current) move toward revising it is unreasonable," Ozawa said in a speech in Tokorozawa, Saitama prefecture, northwest of Tokyo.

The motive for revising the law "seems like that of the (1925) peace preservation law in the prewar period," said Ozawa, the No. 2 man in Shinshinto.

Ozawa was referring to what Shinshinto claims to be an attempt by the LDP to hamper the political influence of Soka Gakkai. The prewar act was used to regulate pro-democracy movements and rebels.

"Nobody should manage this country in a way that destroys democracy," Ozawa said.

### Political Strategy of Soka Gakkai Examined

*OW2909142895 Tokyo BUNGEI SHUNJU in Japanese Sep 95 pp 112-120*

[Dialogue between Yasuhiro Tase, a NIHON KEIZAI SHIMBUN editorial staff member, and Junya Yano, political commentator: "The Day Soka Gakkai Hijacks the Political World"]

[FBIS Translated Text] [Tase] There were many reasons for the indifference that prevailed in the recent House of Councillors' election. They are probably best summed up by saying that politics has become the target of contempt.

[Yano] All the political parties without exception are responsible for the extreme indifference to politics and distrust of political parties that has become so extreme, some voters even feel more comfortable abstaining. It is strange that voters feel no sense of crisis. I presume they still think they belong to the middle class. Their optimism may derive from that feeling. It may change when they face a crisis.

[Tase] I cannot pinpoint why they feel so indifferent.

[Yano] Secretary General Ichiro Ozawa of Shinshinto [New Frontier Party] was quoted as saying: "I call upon those who support the Liberal Democratic Party [LDP]: Your support of the LDP amounts to support for the prime minister, and he belongs to the Social Democratic Party of Japan [SDPJ] which you dislike." It is a good joke that hits right at the very inconsistency of the present regime.

The former New Frontier Party [NFP] coalition regime of the year before last was centered on the major axis of "non-LDP parties," but the "Anti-Ichi-Ichi" [Ichi-Ichi is derived from the NFP's Ichiro Ozawa and Komeito's Ichikawa Yuichi] grouping has gained strength almost without our noticing. Likewise, there is no legitimacy to the current coalition regime of the LDP, SDPJ and Sakigake [Harbinger].

According to those who belonged to the now-defunct Sohyo [The General Council of Trade Unions of Japan], the coalition has done nothing worth mentioning that might persuade members to support the present regime. The same is true of the civil movements. When the SDPJ switched from opposition to the construction of estuary sluices on the Nagara-gawa to support for it, the current regime came to look very different from they way it had.

[Tase] The current coalition seemed to make sense when it came into being, but it should not have lasted for more than a year.

[Yano] Well, the right chance to attack it has slipped away. The present LDP has no political professionals to match what they call San-Kaku-Dai-Fuku [each Chinese character stands for Prime Ministers Takeo Miki, Kakuei Tanaka, Masayoshi Ohira and Takeo Fukuda]. For the past year it has done nothing but sit idly by, devoting what efforts it has made to keeping the regime going. The coalition has given the LDP a share of power in return for its support.

[Tase] LDP supporters felt no keen necessity to go to the polls because there is no advantage be gained by signing up more party members, as there has been before. And SDPJ supporters did not go to the polling stations because they did not feel the SDPJ was in the right shape. By the same token, too few reasons could be found for other voters to turn out. Politicians these days indulge in making excuses, the only person that assumes a defiant attitude is Ichiro Ozawa.

[Yano] I do not think the LDP went through the latest election in a sincere manner. People slated to run on the LDP ticket in the coming House of Representatives election were selling themselves while backing other candidates in the House of Councillors election. (laughter) There can be no excuse, though, for any defeats suffered in the election by Soka Gakkai, because it mobilized its followers to vote for specific candidates. The LDP's defeat was attributable to the Gakkai's tactics, as well as the strength of feeling against the regime. Thus, the recent talk of establishing a coalition of two conservative parties "without Ozawa" and "without former Komeito" seems to have evaporated. At least for the present, there is nor more talk of seceding from the NFP to make an alliance with the LDP.

[Tase] We were reminded once again of the Gakkai's strong ability of gathering votes. The NFP's victory, however, brought to the fore a question about whether the present ruling and opposition framework is going to be fixed. The NFP is unlikely to change the framework in the coming election because it cannot consider political management unless it includes the votes the Gakkai will bring along.

[Yano] I agree.

[Tase] Does that mean there is no more hope for political realignment?

[Yano] If anything happens, it will be a split of the LDP. At one time it was felt the NFP would disintegrate, but no longer can such a feeling be embraced in view of the recent election results. Their party candidates spent little money compared to the past because the Gakkai followers did the campaign chores such as pasting posters and so on. Their candidates might just as well be guided by the Gakkai people who arranged everything for them at the election at no cost. I myself had the same experience when I was with Komeito. Nobody will want any more to face such hard work to recruit campaign workers, paste posters, and make appeals to get votes. They have witnessed the Gakkai's power and might have seen they have no chance of winning against such a formidable enemy. (laughter)

### Resentment Against the Social Democratic Party of Japan

[Tase] I think that the LDP House of Representatives members made so little effort in the recent House of Councillors election, because they have considerable hopes for Soka Gakkai's votes in the next election under the single-seat constituency system. That was why the LDP attempted to win votes from voters with no particular party affiliation by placing celebrity personalities, only to be betrayed by their own ulterior wishes. (laughter)

[Yano] Last November, Soka Gakkai's President Einosuke Akiya made public the policy on the coming elections: "To support the new, new party of the time in the proportional representation district and those candidates with good personal character, profound vision and understanding of the Gakkai in electoral districts." The words "good character" aroused a faint hope among the potential candidates that they may be supported. It is possible. The NFP need not win 300 seats in single-seat constituencies. In view of the "good character" condition, 50 to 100 LDP candidates may be supported and may well be elected, but as a political party the LDP will become meaningless, just as the outer moat was filled in to make the Osaka Castle defenseless. [Ieyasu Tokugawa did this in the 17th century to make it possible to attack the castle and destroy the Toyotomi family.]

[Tase] This was the first time in postwar national elections the LDP has been beaten by another political party in terms of the total number of votes cast for its candidates. The reasons were apparent. General contractors did not function as part of the vote-collecting machinery because they were under criticism for fostering too close a relationship among politicians, bureaucrats, and the financial world. The smallest units of the National Federation of Agricultural Cooperative Associations did not move to support the LDP because they felt betrayed over the rice import liberalization issue. And as relations between bureaucrats and the LDP had become extremely strained, government offices did not cooperate either.

The extent of the LDP's real power was reduced became all these traditionally supportive elements were missing. On top of that, the decrease in the number of LDP votes was only to be expected when you remember that voters saw a vote for the party was really a vote for an SDPJ regime. All this, though, the LDP executive leaders could not foresee.

[Yano] The LDP insists the wind will blow from a different direction in the next House of Representatives election, but I would predict the same consequence if things are left as they are. The LDP is not making any sort of appeal that it is determined to change the course of the wind. It is still in confusion despite the fact that it has to make a show of unity at the next election with the resolve that the next prime minister will its own man.

[Tase] I am at a loss to know where the Murayama cabinet is going. Nothing was revealed about what the three leaders of the coalition parties discussed for hours into the deep night on the day the votes were counted in the House of Councillors election. They were probably unable to determine what the other leaders' real intentions were. It was reported that the LDP's real intention was revealed when Murayama hinted at abdicating the premiership in favor of Yohei Kono, and Kono for a moment became interested in the offer. About a month before that, the same kind of expectation had existed in the minds of Kono and LDP Secretary General Yoshiro Mori, and the offer was presumably made based on the same thinking. This time, though, they were not prepared to accept the offer.

It is said that Murayama has become faint-hearted, but I rather imagine that Murayama bluffed with a weak hand after his party's miserable defeat and is now arguably is in the strongest position instead.

[Yano] It was beyond the LDP's worst nightmare that they would be defeated and so the LDP's shock was probably bigger than the SDPJ's.

[Tase] The SDPJ at one time was predicted to win fewer than 10 seats, but they won 16 seats, just more than the danger figure of 14 at which point the government could have been toppled. Contrarily, it was a mortal defeat for the LDP to win fewer than 50 seats. It had been my guess before the election that 55 to 60 LDP candidates would be elected.

[Yano] Statements by NFP leaders, including Ozawa, were critical of the LDP of course, but I also found in them strong emotional resentment and hatred of the SDPJ. The departure of the SDPJ had led the Tsutomu Hata regime to collapse. In such a situation I did not imagine the SDPJ would win 16 seats.

[Tase] Contrary to the general public's supposition, Sakigake [Harbinger] must have had a strong feeling of defeat in winning only three seats. It is mostly naive people who vote for such a minor party, and the impression that its president was a finance minister who was at the mercy of the Finance Ministry bureaucrats cannot have helped its image. It is probably very difficult for a minor party to be part of the ruling coalition.

[Yano] I wonder why the Aoshima phenomenon [Yukio Aoshima who won Tokyo's governorship without specific party backing] was not repeated in the performance of the minor political parties.

[Tase] Historically speaking, the same tendency has never repeated itself in succession in national elections. That is why I dare say that the LDP has not learned historical lessons at all, and paid too much attention to voters who have no strong feelings about any party.

Editorials in most major newspapers favored the resignation of the cabinet. Experience would tell you that it is almost inconceivable that a cabinet could get such strong editorial criticism and last for more than a month. But the situation has gradually turned, so much so that it cannot resign now even if it wants to. Within the LDP there is a sense of crisis that the party may commit double suicide with Murayama if it remains in the coalition. There is also the feeling that it wants to get rid of Kono as president.

[Yano] The LDP has lost its consistency.

### Premier's Nomination at House of Representatives Is the Key

[Tase] Although it is a wild thought, is there not a possibility that up to half of the LDP, with the exception of Kono and his executive board, may join hands with the entire NFP to establish a new regime?

[Yano] As of now, the Keiseikai [formerly the Takeshita faction, which was reorganized as the Obuchi faction and then renamed the Heisei Political Study Society] of the LDP probably has no plans to join with the NFP. But if ever the LDP is split due to confrontation between Kono and Ryutaro Hashimoto, the NFP may join in nominating Hashimoto for the post of prime minister. This would be a new alliance of conservative parties. As a result, those liberals who stick to safeguarding the constitution, such as Kono, Murayama, Takemura and so on will be chased out to become part of the opposition. Another way a conservative alliance could be formed is if Ozawa engineers a scheme to muster a majority by forming an alliance with his enemy, as he did in approaches to Michio Watanabe and Toshiki Kaifu in spring 1994.

Those approaches could have been an NFP strategy to add to its membership out of worry at being a scratch party. But the outcome of the recent election has probably boosted Ozawa's confidence considerably. And that was why it changed course to settle the day through election.

[Tase] But is it really possible the ruling parties will reshuffle their cabinet? By the time this magazine goes on sale, the answer might have been made public. In any case, the SDPJ has to fill the post to be vacated by retiring Labor Minister Manso Hamamoto and replacing him with another SDPJ member might be all that they can do, I imagine. Without all-party support, changes in posts held by the LDP are impossible.

[Yano] If a large-scale cabinet reshuffle is made, it means Murayama has no immediate intention of resigning. On top of that, the LDP's national convention is due in late September and so another reform of the cabinet is inevitable then. I do not know what is on his mind. Murayama is not expected to tender the resignation of the cabinet en masse within only weeks of the large-scale cabinet reshuffle in early August.

[Tase] For the LDP's part, it may wish to go ahead with a cabinet reshuffle in order to suppress the calls to the executive board asking them to take responsibility for the election defeat. But if cabinet members tender their resignation in the face of party officials who publicly oppose such action, the government will fall immediately. Consequently, several SDPJ cabinet members will be asked to resign as a compromise.

[Yano] It is a difficult to work out a new cabinet line up while making preparations for the election of the party president. Kono may be expecting the premiership to be abdicated in his favor before the LDP national convention. But the transfer of the premiership from Murayama to the LDP president depends on who the House of Representatives nominates. Everything will be lost if the designated successor fails to win the nomination.

[Tase] At any rate, the case is related to the LDP's presidential election in September. Some one is already working on running for the post, with no possibility of discussing a compromise. The LDP will be thrown into confusion if a new president is going to be elected. I do not think, though, Kono is the kind of man who will chance his luck.

[Yano] No, he does not belong to a majority bloc within the party, so he is relying on inheriting the post. Theoretically and morally speaking, it is justifiable for him to lead the party again because he is the current LDP president.

[Tase] There once was a rumor that Hashimoto had decided not to run for the party presidency by secret agreement with Kono.

[Yano] I do not understand why, nor how long the LDP will continue to engage in such a squabble. I say this because the NFP is taking great delight in seeing the LDP disintegrate itself.

[Tase] That is right. The NFP was on the defensive when its motion for no-confidence on the cabinet was rejected at the close of the last ordinary Diet session, but the latest election results have put it back on the offensive. Now with the initiative in its hand, the NFP is looking at the situation in a relaxed way.

**Where Is Hosokawa Heading?**

[Yano] As the LDP, SDPJ and Sakigake committed themselves to maintaining the tripartite coalition in the deep night of 23 July, a possible change in the LDP presidency will not affect that commitment. Even when Hashimoto takes over the LDP presidency, the coalition regime has the possibility of surviving. When the LDP comes out with a candidate other than Kono for the post of prime minister, it may be acceptable. Why does not the LDP support Michio Watanabe, who is wavering before the NFP's approaches, for the LDP's presidency and hence the prime ministership? Watanabe may accept the offer, I imagine.

[Tase] An overwhelmingly small number of people in the LDP support Watanabe for the post, but for that reason there may be a possibility of going in an unexpected direction when the political situation becomes deadlocked. (laughter)

[Yano] On the part of the LDP, it would be better to launch a big performance rather than faltering.

[Tase] Watanabe is a possibility because he may not linger in the post for long. Especially now the government is said to have no economic policy, some quarters are hoping Watanabe will over.

[Yano] But I do not think Watanabe can control the situation. It is anybody's guess how it will turn out when Watanabe himself runs for the LDP presidency. But I do not think he will get cooperation from the young party members. On top of that, he has a health problem.

[Tase] But it would be a delicate problem for Keiseikai to support Hashimoto in his contest against Kono.

[Yano] Takeshita and those who were cautious about this problem have curbed their opposition to Hashimoto's candidacy. But they are reportedly worried about the LDP's disintegration.

Taku Yamazaki, Koichi Kato, and Junichiro Koizumi [the YKK group] is at least prepared for an election of the president by a popular vote. I doubt the LDP feels a really strong sense of crisis. If it does, the presidency should be contested by a popular vote. It is a rule of the political world that the party members unite neatly after an election. But this sense of crisis is a very loose emotion to depend on in the LDP.

On the other hand, the NFP is not at all a monolithic party, although it is pleased to have won the recent election. The wind will blow hard against the party. On top of that, Ozawa's policy seemed to be heading toward collapse only a little while ago. He had his own reasons for pushing his way and he has not changed since then. Morihiro Hosokawa has made it comparatively clear in BUNGEI SHUNJU's August issue that he wishes to muster men of the same mind. Although it has been sarcastically said that Hosokawa made the remarks with the understanding of Ozawa to conceal Ozawa's influence, I felt at the time that Hosokawa was fed up working with Ozawa. But the outcome of the recent election seemed to have changed the situation to a great extent.

[Tase] It looks that way, because Ozawa is a man who can quickly adjust himself to a new situation contrary to his outward obstinate appearance. Careful observation of his "normal nation-state" policy line reveals inconsistency. In recent days he has said there is no immediate need for Japan to become one of the permanent members of the United Nations Security Council.

[Yano] Figuratively speaking, Ozawa is a Shakespearean actor who can play many different characters. He may be playing the part of a villain, but it turns out he is in the leading role. At one time it was said Soka Gakkai's ladies department disliked Ozawa, but on the contrary he seems to have been quite popular. (laughter)

[Tase] He does not say a word critical of the Gakkai. On the contrary, Hosokawa has become a less important personality in the party.

[Yano] Hosokawa, descendant of a feudal lord, probably makes light of samurai warriors [lower-echelon workers] on the grounds of his theory that the vote-gathering machines are not everything.

I do not think Hosokawa will keep much influence if ever the NFP decides to adopt the Ozawa and Gakkai course. Jokingly, I once proposed that "the LDP and the SDPJ sponsor Hosokawa." I think it will be very interesting to see which course Hosokawa takes.

[Tase] Do you agree with the assessment that Ozawa made a comeback as a result of the recent election?

[Yano] At least he has wiped out the pre-election impression that he was no longer an influential figure.

[Tase] His comeback may be painful for those who were critical of Ozawa. They can no longer say publicly that they "want to change the present order." Few people who have been reputed to be close to Ozawa and left his rank later get reconciled with him. They may be required to prostrate themselves on the ground to get his pardon.

[Yano] It depends wholly on whether they get the official recognition to be elected in the forthcoming election under the single-seat constituency system. Under the multi-seat election system, they were elected without getting the largest number of votes in election districts, unlike the situation in the single-seat constituency where those who get the second largest number of votes are losers. No official recognition by the party means the end of the race, so they will have to endure hardship. Until a little while ago, I imagined the possibility of a third polarization, but no such wind is likely to blow as long as the outcome of the recent election is still fresh in the memory.

[Tase] In my opinion, the wind stopped blowing with the end of the Japan New Party [JNP]. Now everybody seems to understand the wind is nothing more than that — a wind.

[Yano] After a landslide victory in the gubernatorial election, Tokyo Governor Aoshima honored one of his public pledges by stopping sponsorship of the World City Exposition. Now, after the excitement has settled down with the lapse of time, there is reflection taking place on whether the decision was right.

[Tase] That is right.

### Miscalculated Strategy of Starving Out the Enemy

[Yano] Even if nonpartisan voters tend to support the third force, sincere efforts must be made to win their minds and a favorable wind must blow on top of that. The same applies to the SDPJ, too.

Newspapers carried their own simulated expectation of the forthcoming House of Representatives election results, with reference to the recent outcome of the House of Councillors election. According to them, the SDPJ will win 55 seats, but I do not think it can win so many seats. Most of the 55 seats will come from the proportional representation district. But an SDPJ that cannot put candidates in all constituencies will not find it possible to win in the proportional representation district. Rather, I think the SDPJ will be completely buried in the abyss between the LDP and NFP.

[Tase] There will be three kinds of House of Representatives members. They will clearly be ranked by the way they are elected: Number one will be those elected in single-seat constituencies, number two those elected in the proportional representation district, and number three those who are saved by proportional representation after being defeated in the single-seat constituencies. The SDPJ's lower house members will be composed of a few number one members, but they will mostly come from the second and third categories. I doubt whether such a political party can display the same ability as one which has the same number of 50 members elected through the single-seat constituencies.

[Yano] The coming election conducted under the single-seat constituency system will see a heated scramble for votes through door-to-door appeals. Appeals for proportional representation votes through loudspeaker campaign cars will have less effect. Honestly speaking, a realignment of the political world has become less imminent since the House of Councillors election.

[Tase] What will be the political situation one year from now, if the current coalition regime of the LDP, SDPJ and Sakigake continues?

[Yano] At least an election will have taken place.

[Tase] An election must be conducted because the consumption tax issue will be brought up this autumn. An election cannot be postponed beyond next May at the latest.

[Yano] It will be held after the budget is formulated at the latest. Until now, the LDP has been saying that "the opposition parties will be dried up in their logistics, after two or three budget formulations." But this is not so, contrary to the LDP's expectation.

[Tase] The offensive side is also spending with less and less money left. (laughter) This strategic miscalculation of starving out the enemy derived from the fact it overlooked the public fund subsidy to political parties from the national treasury. By this, the NFP will be saved to a considerable extent.

[Yano] It is not so easy now as when the ruling parties could get the benefit out of seeking interests.

[Tase] Speaking of money, the SDPJ has never been so affluent since its establishment. That is one reason why the SDPJ lacks any real feeling of crisis.

[Yano] If the strategy of starving the enemy proves ineffective, stronger political parties will prevail. In this connection, the power of the Gakkai cannot be ignored in the future. According to Gakkai people, they enjoyed campaigning in the recent election.

When they campaigned for the former Komeito, they had to exert a considerable amount of energy to cut their way through the last 5,000 vote barrier. It had been campaigning at almost maximum strength. This time, however, they did not feel that barrier. Trade unions, small and medium businesses and supporting organizations mutually cooperated in the campaign and it was very easy to win votes, like sweeping everything into no man's land. In the middle of campaigning, they wondered whether "they will turn out to be real votes."

[Tase] The result showed their campaigning turned out real votes. (laughter)

[Yano] Komeito's dissolution for a better cause contributed to help the energy effectively win votes. Nobody yet knows the full pros and cons of accepting the single-seat constituency election system. If the wind blows in a different direction, the NFP may face a hard election, except in big cities.

After Komeito lost its hold on the government last year, the Gakkai side was a little hesitant that "supporting the NFP may lead to the recapture of government." At that time Akiya's daring view was made public that this time "the NFP will be supported to win" and it came fairly true.

Despite due toiling, election workers enjoyed the campaigning more than during the time of Komeito and it did not require an all-out effort because the other side did nothing. (laughter)

### Is the Gakkai in Control of Japanese Politics?

[Tase] By the same token, can the LDP win, if it turns to criticism of the Gakkai? Absolutely not, I say.

[Yano] Amendments to the law governing religious juridical persons, for example, will also affect religious organizations in support of the LDP. Therefore, such measures do not seem to guarantee success for them. Not speaking in favor of the Gakkai, but on a fair reasoning, I do not see the LDP has any decisive advantage. The key will be whether the LDP can get 55 percent of the abstainers to vote for it.

[Tase] There is no other way but each LDP candidate makes his own response to measures in consideration of his own constituency. If he is sure it will bring favorable results, he will go ahead and criticize the Gakkai, but he will not venture to do so if he expects some votes from Gakkai members. (laughter) The Gakkai is shrewd in that respect and Gakkai votes are cast for the LDP candidate in the constituency where he is an influential figure.

[Yano] If the leader makes a comment on an NFP candidate in a certain constituency that "he has some problem," then Gakkai people will understand the leader's discrediting remark on its own candidate to mean they should cast all Gakkai votes in a different direction on the grounds that personal character counts in the election. (laughter)

[Tase] I agree. From a world perspective, it is said that political indifference will prevail throughout this century. In this connection, I wonder whether Japanese politics will come under Soka Gakkai control while low-percentage voting continues.

[Yano] Well, I am not so sure about that. (laughter) I do not think that the world is so generous. And it may turn out sour if the Gakkai becomes too confident.

## Ryutaro Hashimoto Reveals Political Strategy

*OW2909120495 Tokyo BUNGEI SHUNJU in Japanese Oct 95 pp 110-116*

[Interview with International Trade and Industry Minister Ryutaro Hashimoto by Tatsumi Ito: "My Strategy for the Government"; date and place not given]

[FBIS Translated Text] [Ito] When did you make up your mind to run for the Liberal Democratic Party [LDP] presidency?

[Hashimoto] It was between 14-15 August, or rather on the night of the 15th.

[Ito] Did people of the former Obuchi faction strongly encourage you to run?

[Hashimoto] There were people saying all kinds of things since before the House of Councilors election. The biggest reason I decided to run was because I had been greatly shocked by the results of the House of Councilors election.

Since the election, I had been approached from many quarters but it took some time before I settled my mind.

Frankly speaking, it was a real shock for me to find my LDP being placed second in the proportional representation. It was because I had sensed quite a positive response from those I had been talking to on the street during the campaign period. I raced around 32 prefectures to back up LDP candidates.

To my astonishment, when the ballot boxes were opened, proportional representation votes did not increase in parallel with victories in electoral districts.

More disheartening was the record low voting average in national elections, revealing underlying distrust in politics and political parties. The LDP, the largest ruling party in the coalition, has to accept this fact most severely. To my regret, the result acutely reminded me of undissolved criticism against the LDP by the people for the past several years.

That was why I began to feel more strongly as days went by that I could not sit idly by and watch what my predecessors had assiduously built lost to oblivion.

Such a situation compelled me to make up my mind to run this time.

**Why Did the LDP Lose?**

[Ito] What do you think was the reason behind the recent LDP defeat? Such tactical mistakes as posting talent personalities as its candidates can be pointed out. Rather I presume that the traditional LDP supporters resisted the fact that the coalition had been formed with the Socialist Democratic Party of Japan [SDPJ].

[Hashimoto] I cannot answer to the criticism about the selection procedure of party candidates, because I remained in the cabinet when the selections were made.

If the tripartite coalition had met resistance by party supporters, I am partially responsible, because I myself answered, "It is all right and we can sit at the negotiations table," as chairman of the LDP Policy Research Council, when the SDPJ and Sakigake presented their policy agreement draft to all political parties in June last year.

For more than a year since then, the LDP supported the Murayama regime and it is confident that it did its best for the benefit of people. In my opinion, this coalition was a better choice, though not the best, in the situation in which the LDP does not control a simple majority in the House of Representatives.

I hope the LDP members and its fraternity members and supporters fully understand the tripartite coalition policy agreement and its importance. By this policy agreement, the coalition regime has built relations of trust among political parties and continues to carry out its responsibility even now. This relationship of trust should be treasured into the future and at the same time the LDP must materialize its ideals and policies. By continuing such efforts, the LDP should carry on its fight fair and square in the coming House of Representatives elections to recover the people's confidence and win again.

Walking in the forefront of party members, fraternity members, and fellow legislators, I am determined to do my best.

[Ito] When you made public your intention to run in the LDP presidency race, you pointed to such an understanding that "there still remains severe criticism among the people against money politics." Do you think that was the biggest reason behind the recent election defeat?

[Hashimoto] In the House of Councilors election six years ago when I was LDP secretary general, I personally experienced the very severe fury of the people in the face of what they call the Recruit Scandal. In addition, there was resistance to the consumption tax at that time. Although I did not think the consumption tax had been introduced in an ambiguous manner, it seemed that the people had felt some kind of nontransparent feeling; and that led to vehement resistance. In that election, when I talked to large audiences through microphones, I felt that the voters' anger and resentment were scary.

I had to apologize to the best of my ability in regards to the Recruit Scandal. "For all the world, I will sever relations between politics and dirty money and I will do my best to that end." I made detailed explanation about "preparatory processes to be carried out for the purpose of political reform." Then the atmosphere was that the audience would not listen to me if I did not say such things at the outset. For the first time, I personally felt the atmosphere when the people were really furious. The LDP's sense of crisis was really substantial.

Later, however, the Kaifu cabinet saw the LDP win the House of Representatives elections. Probably that was the cause of relaxation in that critical feeling. In fact, when I stood in the street to back up LDP candidates in supplementary elections, I still felt that "we are not yet pardoned by the people and it is a long way to go before we will be."

After all, the distrust in politics fermented among the people has not been dissolved. And that led to the current increase in nonpartisan groups and the resultant inevitable record-breaking low voting percentage.

**Best Card for Party Revival**

[Ito] If the people were strongly critical of money politics, damage must have been bigger on the side of the New Frontier Party [NFP], because its members Toshio Yamaguchi and Keisuke Nakanishi had been questioned in connection with scandals involving Tokyo Kyowa and Anzen Credit Unions, immediately before the election. On the contrary, the NFP registered a big gain.

[Hashimoto] Paradoxically speaking, the people may be in the mood of "no longer wishing to listen to the story of politics." If so, there is nothing more dreadful than this situation. I want to point that out with a loud voice. Without eradication of this complete distrust in politics, there will be no political revival.

[Ito] Do you have any remedy for that?

[Hashimoto] It is fundamentally important that all fellow legislators share the feeling that I have pointed out so far. Trust is not a thing that can be recovered at a breath when mending is done for form's sake.

When the LDP fell from the ruling political party to one of the opposition parties and when I was named Policy Research Council chairman, I came to be keenly aware of the fact that LDP politicians had become too dependent on the bureaucracy. Even policy matter judgments had been entrusted to the hands of bureaucrats. Before their cognizance, the party setup had been fixed to that extent.

Accordingly, when I became Policy Research Council chairman, I wrung my brains to find ways to reflect organizationwise such local voices as those of fraternity organizations or prefectural branches of the LDP to the policy decision-making mechanism. In the midst of such brain-racking effort to find the ways, the LDP came back to take the helm of government. What we should start now is to carry through such reform.

[Ito] Putting it in a concrete form, what are the ways?

[Hashimoto] What I mentioned was only one field out of many that have to be accomplished. Limiting them to this one, the next House of Representatives elections, they will be conducted under a single-seat constituency system. This means creating one party branch in every constituency. Hence, we can hear what the city, town, and village levels' demands are on policy matters, if we, the politicians, are enthusiastic about hearing them and reflect them in working out future party policies.

What I really did in this connection as Policy Research Council chairman was change the system of communicating information both ways; for instance, by letting Policy Research Council deputy chairmen work concurrently as deputy chairmen of such committees as Public Relations, Organization, and Diet Affairs to relay the Policy Research Council's thinking and vice versa. Some fields were successful, others not. However, I am confident that rather drastic reform was possible. If I become LDP president, I will more strongly push through such efforts.

The biggest change to be brought about in the shift from the multi-seat constituency to the single-seat system is that the power of political parties will become incomparably stronger. For that matter, the party executive board's responsibility will become more important. In other words, power and authority will be concentrated in the party executive board. Therefore, the biggest theme is how to make the party decision-making process transparent. How transparent can the mechanism of policy making be made? And how definite can it be made where the resultant responsibility rests? There rests the key of party revival.

[Ito] Do you already have concrete miracle measures?

[Hashimoto] No, there cannot be any miracle measures to these problems. However fine a setup you have, those who manage it are human beings and it is meaningless if the system is not managed under such a concept. That is the foremost priority.

**Superior Points Compared to Kono**

[Ito] What is your assessment of the past two years of the Kono order? Your running in the presidential race seems to suggest your dissatisfaction with the Kono order.

[Hashimoto] As you know, I was one of the recommenders of Kono as LDP president two years ago. Starting as president of an opposition party, Kono has done his best for the past two years, I think. In a sense, the LDP is a political party that has shouldered responsibilities for consequences. Regrettably, the party's efforts to reform itself have not yet recovered the people's trust. Under such circumstances, the end of the presidential term as stipulated in the party regulations has come.

In the news conference announcing my running, I said that I wanted to be a refreshing challenger. It is a challenge under the rule of the party regulations to the last. At the same time, I repeat that my decision came as a result of the outcome of the recent House of Councilors election. This is not a story that has started from the reminiscences of the past but is looking ahead at the future.

[Ito] Taking responsibility for consequences means that Kono's LDP has to take the responsibility for failing to win the people's confidence in the recent election, does it not?

[Hashimoto] Wait a moment, please. I am in an awkward position because you have taken it in a different way. In my opinion, politicians have many ways of taking responsibility. Taking the recent Japan-U.S. automobile negotiations for example, as minister in charge, I went to Geneva prepared to quit politics if I failed.

[Hashimoto continues] When I was finance minister, scandals involving stockbrokerage and financing firms were revealed and a chorus was heard that I should resign. However, resolved that I would put a finishing touch to the first step to stop a recurrence of such scandals, I worked diligently despite the stinging atmosphere and resigned upon the job's completion.

To be penitent, for the following two years, I did not accept any offer for official roles. At any rate, it becomes complicated when referring to responsibility as in Kono's case.

Since there is a rule that a party presidential election be held every two years, those who have any ideas of improving the party are encouraged to debate in accordance with that rule.

[Ito] Compared with Kono, what are your superior points and in what points are you more confident than he?

[Hashimoto] I do not like to make comments about other people. However, I can tell you this:

Administrative reforms were loudly demanded since autumn to the end of last year, but the debate ended up in meeting the target number of disintegrating and amalgamating special public corporations. I was opposed to this numbers game. As you know, I have been connected to the administrative reform since its initiation, because I was in charge of the LDP Research Council on Administration and Finance, when Toshio Doko was chairman of the Ad Hoc Commission on Administrative Reform. The Doko Commission had two main objectives: one, to make government simple and effective, and two, to suppress to under 50 percent the people's burden even if the aging of the population reaches its peak. The Japanese National Railways, the Telegraph and Telephone Public Corporation, and the Japan Tobacco and Salt Public Corporation come to mind when the Doko Commission is mentioned, but its original objectives were limited to the aforementioned two.

However, the amalgamation and abolition policy of special public corporations that was started since the end of last year had no basic concept why such reform was to be done on specific special public corporations. I insisted on making that point clear at the outset, but no agreement was reached within the cabinet.

For the International Trade and Industry Ministry's [MITI] part, two proposals were made. One example is amalgamation of the Japan External Trade Organization and the Developing Economies Institute. Frankly speaking, there still is dissatisfaction within the ministry. However, I thought it was important to stabilize the research foundation by amalgamating the two organizations in view of their future roles. Based on the same concept, 22 MITI inspection institutes were reduced to 11. The measure did not get much appreciation by the public but it is important that administrative reform must continue to pile up such routine quiet works with the aforementioned two objectives as their basis.

I may be more well informed about administrative reform than Kono, if I have to choose.

From my cabinet experience, although now I head MITI, I think I have to work hard if I am to work out an economic policy or measures to cope with the current business slump.

[Ito] How do you assess the Murayama cabinet's performance for the past more than a year? The fact that the Murayama cabinet has lost the people's confidence looks apparent from various opinion polls. Do you not agree?

[Hashimoto] Because opinions may differ among people, I do not take it seriously, neither contend nor agree. However, in my view, Murayama has done a fairly good job.

If I am allowed to say a word, I reflect on the fact that the LDP, the largest pillar supporting the coalition regime, has not shared a somewhat larger part of the prime minister's responsibility. All merits and demerits may rest on the prime minister on grounds that politics must take consequential responsibility. However, as a human being who has supported the cabinet, although from a different party, I think that the LDP let the prime minister shoulder too much responsibility without sharing its own part.

[Ito] I find dissatisfaction within the party that the LDP is too reserved in its relation with the SDPJ and Sakigake, because it puts too much priority in maintaining the tripartite coalition.

[Hashimoto] No, it may be quite the opposite. For instance, I found quite some discontent within not only the cabinet but also the LDP to my way of handling automobile negotiations, which is my jurisdiction. For my part, I did my desperate efforts to work it out under my responsibility, not letting the prime minister shoulder it.

However, for the past year, it seems that all responsibilities were laid on the prime minister's office and Prime Minister Murayama, as in the case of the crisis management in the face of the great earthquake in Hanshin and Awaji areas. As a matter of fact, the manual on crisis management inherited from the LDP regime era was not perfect, without having anticipated anything such as a devastating catastrophe. It must have been a debt passed on from the LDP regime.

### One-Party Regime Is an Illusion

[Ito] From the eyes of the people, the LDP policies are by far close to the NFP rather than the SDPJ. What do you think about this point?

[Hashimoto] It is not strange at all that the LDP and NFP have many similarities since the NFP embraces quite a number of people who quit the LDP. However, the present SDPJ made a big switch in its long-standing basic policies regarding the national flag and the national anthem when it formed a coalition government.

In that sense, I do not think the SDPJ is considerably different from us. With the exception of the Japan

Communist Party, I think all political parties have remarkably low fences in policies.

[Ito] Then how are you going to make appeals in the future about the difference between the LDP and the opposition NFP, which won the largest number of proportional representation winners in the recent House of Councilors election?

[Hashimoto] I think that the LDP members have to go back to the fundamentals when the party was born. Before we are aware, we are sitting comfortably on the situation that we belong to the ruling party all the time. In the policymaking process, we just make on-the-spot judgments on what has been worked out by bureaucrats. This part we must reflect upon. We the LDP members have to put ourselves among the people once more and make efforts for each one of us to be able to stand among the people. Those are the fundamentals.

Our predecessors even attended small meetings of two to three people and engaged in hot debates with the people outside. Even if nobody stopped to listen, they appealed to the passersby for support of their policies. We have to return to this fundamental.

[Ito] After all, your objective is to establish a single-party government of the LDP, is it not?

[Hashimoto] For any political party, I think it is ideal to have its own regime governed by its own ideals and policies. However, in the LDP's case, it is not realistic to say such a thing without having a simple majority in the House of Representatives.

In this connection, I would like to make efforts to regain trust as early as possible, so that as its first step the LDP is at least given the position of the largest proportional representation party in the House of Councilors. It is far more important for the LDP to realize the present serious situation that is void of a simple majority, than talking about a fantasy.

[Ito] It is said that the NFP owed greatly to Soka Gakkai for its victory in the recent election, assisted by the low voting percentage. Within the LDP, Soka Gakkai is talked about as a threat, as I understand it.

[Hashimoto] I myself am not an atheist. I do have some inclination to deities and I have no intention of denying it. However, I do not think they are the judges of everything.

I want everyone to more seriously think about relations between religion and politics. As strange an idea as it may be, many factors of instability on earth today originate from religion. In the real world, there are a multitude of proofs that religions have brought dreadful consequences when they started to control politics. I do not think it is bad at all for an individual to value his or her own beliefs. However, a grave situation will come about if it is directly connected to politics. I wish the Japanese people make no mistakes on that point.

[Ito] Frequent comments have been made that you are arrogant, ready to get angry at what you dislike, and corner others in argument. What is the fact?

[Hashimoto] Well, they must be saying I am not mature yet.

### Hashimoto's Responsible Leadership Urged

*OW2909065695 Tokyo YOMIURI SHIMBUN in Japanese 27 Sep 95 Morning Edition p 3*

[Editorial: "Exercise 'Responsible Leadership'"]

[FBIS Translated Text] The Liberal Democratic Party's "new Hashimoto regime" began after the appointment of the three top executive officials of the Liberal Democratic Party [LDP].

On the surface, the selection of Koichi Kato as secretary general, Masajuro Shiokawa as chairman of the General Council and Taku Yamasaki as chairman of the Policy Research Council exhibits a balance between factions. However, in fact, the appointments reflect Hashimoto's own wishes to a considerable extent.

Party executive members' selection was characterized by: "generational change," "distribution of honors [ronko kosho]" and "deterioration of factional power."

The selection of Kato and Yamasaki is an example of "generational change."

The fact that veteran LDP Diet members of the former Watanabe faction strongly opposed the selection of Yamasaki, who is also a member of that faction, created the distinct impression of a rapid "generational change."

Concerning this issue, Hashimoto made his decision early to appoint Yamasaki to the post, justifying it as part of his strategy for forming a regime which can bring victory to the LDP at the next lower house election. He came out openly with this intention and implemented it as planned.

The deterioration of factional dynamics has accompanied this generational change. With the appointment of Kato and Yamasaki — despite opposition within their respective factions — splits within the former Miyazawa and Watanabe factions became more acute. Therefore, the power of factions will almost certainly decline.

The former Obuchi faction, to which Hashimoto belongs, demonstrated its strong unity during the presidential election campaign. However, the appointment of the three key party officials did not necessarily reflect the wishes of senior faction members. It has been indicated that the appointment of both Kato and Yamasaki will eventually serve as a check on the former Obuchi faction because Kato and Yamasaki have long advocated "opposition to Takeshita faction control."

Since Hashimoto gained support across factional boundaries in the presidential race, it is expected that personnel appointments based on the idea of ronko kosho will play a role in promoting the loosening up of factions.

Personnel changes under the new regime show signs of creating new movements within the LDP, arousing strong reactions.

In particular, the new regime's party management is charged with tackling the top-priority problem of discord between younger and veteran Diet members caused by the generational change.

Hashimoto says he will try to get along with veteran Diet members by forming an advisory group to the LDP president on all important issues. However, there is no doubt that he will need considerable subtlety in future party management.

The new regime will face a tough situation in the future because it has to deal with such difficult problems as the revision of the religious corporation law over which the ruling and opposition parties are divided, as well as the land tax system and defense issues that defy consensus among the ruling parties.

The generational change, in itself, should not be regarded as a final goal for the LDP; rather, it should be a means to reinvigorate the LDP and to implement policies. The LDP should make the utmost efforts to deal with current political issues.

At the party convention held on 25 September, Hashimoto stated his intention to explain his ideals and policy in various places nationwide, aiming at bringing vitality and strength back to the LDP. In addition, he quoted from a speech by former UK Prime Minister Margaret Thatcher to stress "the course we should follow."

"In the Old Testament," the prophets did not say, "brothers, I seek a consensus," instead, they said, "this is my faith and vision, come along if you believe in it too."

Recently, Japanese politics has seen a lack of both strong ideals and a strict sense of responsibility. Despite the possible danger of falling into self-righteousness, we accept the plan to exercise responsible leadership as an official commitment, and we will watch its implementation closely.

## Editorial on Murayama's Policy Speech to Diet

*OW0110141895 Tokyo NIHON KEIZAI SHIMBUN in Japanese 30 Sep 95 Morning Edition p 2*

[Editorial: "Naive Doubts Raised About 'Economic Recovery Cabinet'"]

[FBIS Translated Text] We have no choice but to have some naive doubts about the Murayama cabinet after listening to a policy speech delivered by Prime Minister Tomiichi Murayama to the Diet. The prime minister, in his policy speech, stressed that his cabinet would do all it can to take economic stimulus measures while holding high the banner of an "economic recovery cabinet." For now, it is an important task for the Murayama cabinet to take those economic stimulate measures and no one disputes their importance. Many people believe, however, that Ryutaro Hashimoto, who is president of the largest party and well versed in economic policies, is better fitted for the post of prime minister.

The current cabinet headed by Murayama, chairman of the third largest party, is an abnormal cabinet that has been shored up by the Liberal Democratic Party, the largest party. Prime Minister Murayama needs to explain to voters in a way that they can easily understand why he has to continue to remain in his post, leaving the president of the largest party out in the cold. The Murayama cabinet is not a normal cabinet, and it should go beyond simply expressing its enthusiasm for maintaining the government. To our regret, the prime minister in his policy speech to the Diet did not give a persuasive explanation of this point.

In his policy speech, the prime minister stressed that "his cabinet is a government determined to push for reforms." He also expressed his resolve to aggressively grapple with the reform of economic structure and push for the administrative reform. We have high expectations of his resolve. Yet some certainly doubt that an abnormal cabinet like the Murayama government would be able to accomplish such daunting tasks as reforming the economic structure and administrative reform.

For the Murayama cabinet to grapple with those daunting tasks, public confidence in the cabinet and public backing are indispensable. The best option is for the House of Representatives to be dissolved to seek public confidence and then for the largest party to form a majority government to grapple with the reform of the economic structure and push for administrative reform with public backing. We have no intention of dampening the prime minister's unusual resolve, but we hope that the prime minister will think humbly about that point.

In his policy speech, the prime minister said he would work to win back the public's confidence in politics and would take seriously the public distrust of politics and lack of public interest in politics that surfaced in the recent upper house election. The Murayama cabinet alone is not responsible for the lack of public interest in politics. However, it can not be denied that dragging out the abnormal coalition government and the loss of political equilibrium are the major causes of the lack of public interest in politics.

The prime minister's comments on brazen financial scandals in the Finance Ministry and "bureaucrats entertaining other bureaucrats" in his policy speech gave us a dry impression. The probe of Finance Ministry officials who were allegedly involved in the financial scandals was inadequate, and disciplinary actions against them were lenient. It is unclear how Finance Minister Masayoshi Takemura took responsibility. We expected that the prime minister, who concurrently serves as chairman of the ruling Social Democratic Party [SDPJ], would take a tough attitude toward their misdeeds. We feel that the prime minister has grossly betrayed our expectations of him.

One year and three months have passed since the Murayama government was inaugurated. The Murayama government has put the finishing touches on political reform and paved the way for revamping the tax system and the pension system. These are his government's achievements. It can be said that, at this juncture 50 years after the end of World War II, the Murayama government has opened prospects for dealing with the issue of post-war settlement, and the prime minister from the SDPJ has displayed his leadership.

Nonetheless, the prime minister in his policy speech failed to convince the people of the need to keep his government in place in the future and his policy speech lacked pitch. Just calling his cabinet "an economy recovery cabinet" and a "government determined to push for reforms" can no longer win understanding from many people. If the Murayama cabinet is a cabinet eager to simply gain time by exploiting the "fear of the dissolution of the House of Representatives" that is deeply rooted in both ruling and opposition parties, this is an unfortunate thing for voters.

## North Korea

### Joint U.S.-DPRK Statement on Liaison Offices

*SK3009050395 Pyongyang KCNA in English*
*0449 GMT 30 Sep 95*

["Joint Press Statement on DPRK-U.S. Expert-Level Consultations Concerning Opening of Liaison Offices" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 30 (KCNA) — A joint press statement on the DPRK-U.S. expert-level consultations concerning the opening of liaison offices was made public.

The statement says:

Delegations of the Democratic People's Republic of Korea (DPRK) and the United States of America (USA) met in Pyongyang, DPRK September 25-29, 1995 to discuss technical issues connected with an exchange of liaison offices between the two countries as called for in the DPRK-U.S. agreed framework.

U.S. experts inspected the diplomatic compound that is now the site of the Swedish Embassy and the German interests section. It has been agreed that this compound will be shared in the future by the U.S. liaison office in Pyongyang.

The DPRK and U.S. delegations agreed to continue discussions on outstanding issues with a view towards the establishment of liaison offices.

### Further on Communique

*SK3009033295 Pyongyang Korean Central Broadcasting Network in Korean*
*0307 GMT 30 Sep 95*

[FBIS Translated Text] A joint communique on the status of the DPRK-U.S. expert-level negotiations on opening liaison offices:

The DPRK delegation and the United States of America delegation discussed, in Pyongyang on 25-29 September 1995, procedural matters concerning the exchange of liaison offices as stipulated in the DPRK-U.S. framework agreement.

As agreed, the U.S. delegation conducted an inspection of the Swedish Embassy compound and that of the German Interest Section, which will be used as the U.S. liaison office in Pyongyang.

The DPRK and the U.S. delegations agreed to continue to discuss unresolved issues to open liaison offices.

### U.S. State Department Delegation Departs

*SK3009152095 Pyongyang KCNA in English 1513 GMT 30 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 30 (KCNA) — The delegation of the U.S. State Department left here on Saturday by plane after visiting Korea to discuss issues concerning the opening of liaison offices as called for in the DPRK-U.S. agreed framework.

The delegations of the DPRK and the United States discussed technical issues connected with an exchange of the liaison offices in Pyongyang over September 25-29.

U.S. experts inspected the diplomatic compound of the Swedish Embassy and the German Interests Section, which will be shared in the future by the U.S. Liaison Office in Pyongyang, in accordance with the agreement.

The two delegations agreed to continue discussions on outstanding issues with a view towards the establishment of liaison offices.

### South Denounced for Seeking U.S. Intervention

*SK3009014195 Pyongyang Korean Central Broadcasting Network in Korean 1223 GMT 28 Sep 95*

[Commentary by Kim Ho-sam: "The Manifestation of Wicked Ambition"]

[FBIS Translated Text] According to broadcasting reports from Seoul, the South Korean puppet defense ministry is seeking to include a declaration that the U.S. troops will automatically intervene should an armed conflict erupt on the Korean peninsula in a joint statement that will be issued at the 27th South Korea-U.S. Annual Security Consultative Meeting slated for November in Seoul.

In this relation, the South Korean media reported that the puppet defense ministry is having a series of consultations with the U.S. Defense Department. This is an act that can only be committed by the Kim Yong-sam flunkeyist treacherous group which has become accustomed to harming its fellow countrymen.

What purpose do the South Korean puppets have in their mind to map out a joint statement whose main point is the U.S. Forces' automatic intervention in the event of an emergency on the Korean peninsula? Above all, it seeks to realize its ambition of achieving reunification through a northward invasion.

As everyone knows, the Kim Yong-sam ring is clinging to two methods in pursuing its policy toward North Korea. The first one is achieving reunification by prevailing over communism with force of arms, and the other is reunifying the country through the absorption of the North by opening it up. Both methods are based on its notion that it will beat us by means of war by building up strengths.

This can be clearly seen by traitor Kim Yong-sam's recent activities. As the entire world knows, as soon as he took office, traitor Kim Yong-sam resumed with the United States the Team Spirit nuclear war exercise, which had been suspended at the end of the Fifth Republic. Since then, he has staged provocative nuclear exercises almost every day by changing the names of the exercises. Thereby, the Kim Yong-sam ring has turned the North-South agreement and the declaration on denuclearization into a scrap of papers; has made a fuss over the nonexistent nuclear threat from the North; and has even frozen inter-Korean dialogue by raving that it will not shake hands with those who have nuclear weapons.

Now, the Kim Yong-sam ring is all the more madly clinging to war exercises. On 25 September, the South Korean puppets staged an exercise of airlifting commandos to the heartland of the northern half of the Republic by making ultra low-altitude flights for hours in the sky above the forefront area of the Military Demarcation Line. As such, the puppets' ambition to reunify the country by force of arms by prevailing over communism is reaching the extreme.

The South Korean puppets are seeking to realize its ambition for a northward invasion by means of all-out surprise attack by having the U.S. Forces participate in their provocative maneuvers to unleash a new war and by having it join in a war without any legal devices in times of an emergency.

Another purpose of the South Korean puppets to include such a declaration in the joint statement is to apply a break on the implementation of the DPRK-U.S. agreement which is now making progress and to drive a wedge in the improvement of the DPRK-U.S. agreement.

We can say that the DPRK-U.S. relations are being resolved basically in conformity with the spirit of the DPRK-U.S. agreed framework and the DPRK-U.S. joint communique.

At the Kuala Lumpur talks held on 13 July, several working-level contacts have taken place between the two countries since the DPRK- U.S. joint communique was announced, and, on this course, the pending issues have been discussed and resolved. These are all good signs.

However, being envious of this, the South Korean puppets are attempting to lay obstacles to the improvement of the DPRK-U.S. relations by throwing a wet blanket on this, and to finally rupture this.

Not long ago, the puppets won denunciations from the world's fair media by having the puppet foreign minister rave that the signing of a peace agreement between us and the United States would strain the situation on the Korean peninsula.

As there is a saying that an old habit dies hard, the puppets are attempting to include a declaration on the U.S. troops' automatic intervention in the event of an emergency on the Korean peninsula in the so-called South Korea-U.S. joint statement. Thereby, they seek to strain the situation and aggravate the DPRK-U.S. relations with a view to hinder the implementation of the DPRK-U.S. agreement. However, this is a foolish attempt.

No matter how the Kim Yong-sam ring may try to interrupt, the DPRK-U.S. relations will make a progress on the right track as have been promised by the two sides.

The Kim Yong-sam ring cannot reverse this trend. It is truly ridiculous that the Kim Yong-sam babble about the so-called resumption of inter-Korean dialogue and the improvement of bilateral relations when it attempts to vilify its fellow countrymen with the outside force's strengths. The puppets have no grounds or qualifications at all to babble about the resumption of inter-Korean dialogue or the improvement of bilateral relations.

The Kim Yong-sam ring should deliberate upon the miserable results that will be brought about to them by its criminal maneuver to harm its countrymen by the outside force's strengths, and should not run recklessly.

## Daily: 'No Need for U.S. Forces To Remain'

*SK0210115995 Pyongyang Korean Central Broadcasting Network in Korean 0853 GMT 29 Sep 95*

[NODONG SINMUN 29 September commentary: "There Is No Need for U.S. Forces To Remain"]

[FBIS Translated Text] Voices of grievance against U.S. occupation forces among the South Korean and Japanese people have reached to the sky.

One of the main reasons for this is that the criminal acts of U.S. forces occupying South Korea and Japan are becoming more grave each day.

According to reports, three U.S. soldiers stationed in Okinawa, Japan recently abducted a 12-year old Japanese girl and collectively raped her, thus committing a crime that would make even beasts blush. This shows that if one keeps uninvited aggressor forces, one will face national disgrace and people will not be able to avoid misfortune.

Prompted by this case, voices protesting the U.S. Forces' occupation have grown louder in Japan. The Okinawa Prefecture Council plans to stage a large-scale protest rally.

Meanwhile, U.S. soldiers in South Korea recently assaulted a civilian bus driver and injured him, thus evoking people's criticism.

These incidents fully expose the filthy criminal nature of the U.S. Forces that occupy South Korea and Japan wearing the mask of a protector under the deceitful signboard of prevention of conflicts and insurance of security. They also prove that the occupation forces are, indeed, the very ringleaders of human rights violations. This has been clearly displayed by criminal acts committed by U.S. soldiers in their occupied areas.

The U.S. forces that occupy South Korea and Japan are every day committing such criminal acts as murder, rape, plunder and arson by exercising extraterritorial privileges.

According to information revealed by the Japan Defense Agency, the U.S. occupation forces in Japan committed 1,264 cases of criminal acts in the past 10 years. This means that an average of 120 cases of murder, armed plunder and rape have been committed each year.

In particular, U.S. forces' criminal acts in South Korea are very grave. Since U.S. forces began occupying South Korea, they have committed a number of crimes including violation of Korean women on a train of the Honam Line; the incident of painting a woman in Pochon in 1959; the incident of murdering an old woman in 1973; the incident of killing 15 people and injuring 12 people with a flame thrower in 1986; and the incident of murdering the woman Yun Kum-hui in 1992. In addition, they have committed more than 100,000 cases of human rights violations — violations on such a large scale that people can hardly comprehend it.

Because of U.S. soldiers, the South Korean and Japanese people have been denied their human rights, and have been forced to suffer misfortune, pain, death, and disasters.

The U.S. troops that occupy South Korea and Japan are not only the ringleaders of these acts of infringing human rights, but are also the main forces straining the regional situation and instigating confrontation.

The U.S. troops that occupy South Korea and Japan are, all in all, a shock brigade for realizing the U.S.

aggressive Asian strategy. In particular, the United States is keeping tens of thousands of U.S. troops in South Korea for the purpose of invading our Republic.

Not a single day has passed without military activities being waged by U.S. forces in South Korea against our Republic. In recent years, the United States has been accelerating modernization of the U.S. forces in South Korea, and is more frantically waging military exercises with the South Korean puppets, simulating a northward war of aggression.

Because of this, the Korean peninsula has never been free from confrontation, and the danger of war is increasing each day.

Besides, U.S. forces in Japan are busily moving about, targeting our Republic and nations in the Asian-Pacific region. In particular, the U.S. forces in Japan are armed with nuclear weapons, and are constantly making nuclear threats.

All facts show that as long as U.S. forces remain in South Korea and Japan, the people's human rights in these areas will be mercilessly infringed upon, and the atmosphere of confrontation and war will prevail.

Until now, the United States had justified the occupation of these areas by its forces on the pretext of preventing the danger of southward invasion by the Soviet Union. However, now that the cold war has ended and the Soviet Union has collapsed, the United States has lost its pretext and reason for keeping U.S. forces in these areas.

There is no need for U.S. forces to remain in South Korea and Japan. Therefore, the U.S. forces should withdraw from these areas.

### U.S. Reportedly Commits 'Aerial Espionage'

*SK3009051795 Pyongyang KCNA in English*
*0432 GMT 30 Sep 95*

["DPRK-Targeted War Exercise and Espionage" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 30 (KCNA) — The U.S. imperialists committed aerial espionage on the DPRK on more than 180 occasions in September, military sources said.

This involved high-altitude strategic and tactical reconnaissance planes and electronic warfare helicopters that are based overseas and in South Korea.

The bellicose U.S. imperialists held an exercise of a surprise air attack on major strategic targets in the DPRK with the support of an electronic jamming plane. Carrier-borne assault planes belonging to the U.S. Pacific Command were involved in the exercise, which took place in the sky above Sangdong, South Korea on September 28.

A U-2 high-altitude strategic reconnaissance plane made east-west shuttle flights in the sky above the Military Demarcation Line for photography and electronic reconnaissance on the heartland of the DPRK.

This shows how frantically they step up war preparations to invade the DPRK.

### Hanchongnyon Vows Delegates To Return

*SK2909112095 Pyongyang KCNA in English*
*1053 GMT 29 Sep 95*

["Resolution of Hanchongnyon" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 29 (KCNA) — The third-term Central Committee of the South Korean Federation of General Student Councils (Hanchongnyon) on September 26 published a resolution vowing a struggle for a safe return of its delegates Chong Min-chu and Yi Hye-chong through Panmunjom.

It said:

The northern visit of our delegates Chong Min-chu and Yi Hye-chong has made a contribution to the struggle for pulling down the barrier of division in keeping with the vanguard role to be played by students in the reunification movement and to forming a frame of bilateral and multilateral dialogues to realise nationwide dialogue in 1995.

The northern visit also demonstrated the might of the movement of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) which is daily developing.

It further said:

The return of the two delegates will be a desperate effort to declare that the demarcation line at Panmunjon can no longer be a line of division of our nation and it will also demonstrate their practical will to break the barrier of division, a grudge of the Korean people, and advance toward the reunification through confederacy in the 1990s.

So, Hanchongnyon will successfully realise the safe return of the two delegates through struggle.

We will oppose any legal actions against the two delegates and struggle for the scrapping of the "National Security Law", an institutional and legal obstacle to their safe return.

We will do everything in our power for the safe return of the two delegates in defiance of any actions which would be taken by the separatist forces at home and abroad so that they may appear before the one million students.

If the third-term Central Committee of Hanchongnyon fails, its fourth will certainly do, and if the fourth fails, the fifth will do.

The resolution urged the resignation of the Kim Yong-sam "regime" obstructing the safe return of the two delegates.

### Official Criticized for Minimizing Flood Damage

*SK2909113395 Pyongyang KCNA in English 1101 GMT 29 Sep 95*

["Smear Campaign Precipitates Self-Destruction" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 29 (KCNA) — The director of the "Agency for National Security Planning" (ANSP) of South Korea, Kwon Yong-hae, told AP (ASSOCIATED PRESS) on September 23 that the North's flood damage is "less than one-tenth of the declared."

Each time it is driven into a tight corner, the "ANSP" resorts to any maladroit kind of slanders against the North. So, his recent remarks, too, are hardly a matter of argument.

What matters, however, is what makes him spread again the rumor about "overstated damage," which has failed to fool the people.

Lurking behind this is a sinister intention of the "ANSP" to justify its smear campaign rejected by the world public, aggravate antagonism and confrontation between the North and the South of the same nation and bring inter-Korean relations to a more acute phase.

As was already reported, when the North was hit by unprecedented floods, the "ANSP" let the Japanese SANKEI SHIMBUN and other reptile media and such fellows as Na Ung-pae, "minister of unification" of South Korea, claim that "the North overstated the flood damage in the hope of getting aid."

But their allegation was denied by a UN fact-finding group which visited the North to survey the flood damage and render assistance to the flood sufferers.

As the results of the fact-finding group's survey are correct, governments of different countries have offered humanitarian aid to the DPRK.

By playing the principal role in the unsuccessful drama, Kwon Yonh-hae showed by himself that the "ANSP" is the general headquarters of the anti-North plots and a den of traitors who have systematically and intentionally wrecked the unity of the nation, and insulted even UN humanitarian organizations.

When the fellow countrymen in the North suffered the biggest misfortune ever in the 5,000-year-long history in July last year, the South Korean puppets levelled guns at them and brutally suppressed Sout??Korean people who expressed condolences over the death of the nation's father. This crime of the blackest dye is indelible.

But the "ANSP" slandered the North again when it suffered destructive floods, which is another blackest crime. The South Korean puppets will have to pay dearly for the crimes.

The Kim Yong-sam group are running high fever in the anti-North campaign through such fascist plot-breeding tools as the "ANSP". This is nothing but a last-ditch effort of those whose days are numbered.

The more persistently they resort to the anti-North plots, the earlier their destruction comes.

### Pomchonghangnyon Presidium Members Meet

*SK2909233995 Pyongyang KCNA in English 1008 GMT 29 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 29 (KCNA) — The fourth meeting of the presidium members of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) was held in Pyongyang on Thursday.

Present at the meeting were Chairman Ho Chang-cho, presidium members and central members of the North side headquarters of Pomchonghangnyon; delegates of the South Korean Federation of General Student Councils (Hanchongnyon) Chong Min-chu and Yi Hye-chong upon the authorisation of the presidium of the South side headquarters of Pomchonghangnyon; acting co-chairmen authorized by the presidium of the overseas headquarters of Pomchonghangnyon Cho Son-o, vice-chairman of the Central Standing Committee of the League of Korean Youth in Japan, and Yi Chong-su, vice-chairman of the South Korean Youth League in Japan, and delegates; and director Choe Chong-nam of the joint secretariat of Pomchonghangnyon.

The meeting reviewed the fifth grand reunification festival of Pomchonghangnyon for independence, peaceful reunification and great national unity, discussed programmes to fight for Pomchonghangnyon expedition to the tomb of King Tangun slated for October 3 and to fight for the passage of "Hanchongnyon" delegates through Panmunjom and adopted relevant documents.

A special resolution of youths and students in the North, South and overseas for the safe return of Chong Min-chu and Yi Hye-chong, delegates of the South side headquarters of Pomchonghangnyon says that the safe return to the South of the two delegates who gave the hope for and future of the reunification in the 90s to the 70 million Korean people is a demand of the whole nation.

The South Korean authorities are laying grave obstacles on the way of their return, the document says, adding that they should never block their return.

The resolution further says:

The South Korean authorities should bear in mind that if they take a "legal action" against the two delegates as they handcuffed Chondaehyop delegate Yim Su-kyong, a "flower of reunification," and arrested Pak Yong-kil, an angel of reunification, this will kindle indignation of the 70 million Koreans including the students in the North, South and overseas who are longing for the reunification and give rise to a powerful struggle for the abolition of the "National Security Law".

We seriously warn that if the United States which is the very one responsible for the 50 year long division of Korea and its nation and which exercises jurisdiction over Panmunjom through which free travel of Koreans has been blocked turns its back on the safe return of the two delegates, it will face a bitter condemnation from all the Koreans and progressive mankind around the world.

Pomchonghangnyon will succeed in a struggle for the safe return of the two delegates with the concerted efforts of the people in the North, South and overseas and make a greater breakthrough in the demolition of the division barrier this historic year, the 50th anniversary of Korea's liberation, through a vanguard struggle of youths and students united under the banner of great national unity.

A press conference was held as regards the holding of Pomchonghangnyon presidium members meeting.

### Report on Student Demonstrations in South

*SK2909235595 Pyongyang KCNA in English 2240 GMT 29 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 29 (KCNA) — A vigorous struggle for the punishment of those responsible for the Kwangju massacre of May 1980 has been waged in South Korea.

Some 5,000 students of 8 universities in Seoul including Konkuk University and Seoul City University held demostrations on their campuses on September 28 in demand of the punishment of the Kwangju murderers.

The General Student Council of Seoul National University said in a press interview that a special law should be enacted for their punishment and that to this end, some 15,000 students of 12 colleges will start school strikes on September 29 and 30.

It warned that if the enactment of a special law fails to be discussed in the regular "parliamentary session", it will launch a struggle to oust Kim Yong-sam's "government" and have the Democratic Liberal Party dissolved.

The General Student Councils of Korea University and Yonsei University called press conferences and said that it is essential to enact a special law to probe the truth behind the May 18 incident.

Some 1,500 teachers of primary, middle and high schools in Seoul city charged in a declaration of Seoul teachers that the prosecution's decision not to bring the chief culprits of the Kwangu massacre to trial means ruining national spirit and social justice, and demanded the withdrawal of the decision and apology of the authorities.

Members of the General Student Council of the University of Foreign Studies started a fasting in protest against the decision on September 25, while members of the General Student Council of Seoul National University started a three-day fasting on the 26th.

### Kim Yong-sam Condemned for 'Collusion'

*SK3009113395 Pyongyang KCNA in English 1015 GMT 30 Sep 95*

["NODONG SINMUN on Kim Yong-sam's Collusion With Former Military Dictators" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 30 (KCNA) — If the Kim Yong-sam group continue brutal fascist suppression of the people, turning down their demand for the punishment of those responsible for the Kwangju bloodbath, they will be severely punished by the people and dumped into the rubbish heap of history, warns NODONG SINMUN today.

In an article titled "Collusion With Military Dictatorial Forces of 'Fifth and Sixth Republics' Precipitates Self-Destruction" the paper says:

The Kim Yong-sam group, ignoring the people's strong protest, have defended Chon Tu-hwan, No Tae-u and other military fascists who should be judged by history.

Now they have been under fire for the flunkeyist and traitorous acts they have perpetrated in two years and a half of office and for the continuous failure of their internal and external policies.

They stand no chance of winning the next year's "parliamentary elections," on which they stake their fate.

Under this condition, they, as a drowning man catches at a straw, have acquitted the former military dictators of their crimes in a bid to win the "parliamentary elections" by expanding their forces with them.

If they think that their collusion with former military dictators will change their fate, it is a mistake.

Their teaming up with the military dictators, who were sentenced to death politically by the South Korean people, will bring them to a judgement by history with the military dictators. As they join hand with the "Fifth and Sixth Republics" forces, they are precipitating their destruction.

## Kim Chong-il Greets Jiang Zemin on National Day

*SK3009133995 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 30 Sep 95*

[FBIS Translated Text] The great leader of our party and our people Comrade Kim Chong-il, chairman of the DPRK National Defense Commission and supreme commander of the Korean People's Army [KPA], has sent a message of greetings to Comrade Jiang Zemin, general secretary of the Central Committee of the CPC, president of the PRC, and chairman of the Central Military Commission of the PRC, on the occasion of the 46th anniversary of the PRC.

The message reads:

Beijing, Comrade Jiang Zemin, general secretary of the CPC Central Committee, president of the PRC, and chairman of the Central Military Commission of the PRC:

On the occasion of the 46th anniversary of the founding of the PRC, I send warm congratulations to you, the CPC Central Committee, the PRC Government, and the Chinese people.

The founding of the PRC was an event which brought forth a fundamental turning point in the Chinese people's history of thousands of years.

The Chinese people over the last 46 years since the founding of the PRC have built a new socialist China in the vast land of China through the arduous and glorious struggle under the correct leadership of the CPC.

The Chinese people are now vigorously advancing along the road of socialism chosen by themselves, firmly rallied around the CPC with you as its core.

The Korean people sincerely rejoice over the achievements made by the Chinese people in socialist construction.

We extend firm solidarity to the party, government, and people of China in their efforts to reunify the country.

To develop the traditionally friendly and cooperative relations between Korea and China generation after generation is the consistent policy of our party and government and the desire of our two peoples. Korea-China friendship, which has overcome all sorts of historical trials, will be steadily strengthened and developed by the joint efforts of the two parties, the two countries and the two peoples.

I take this opportunity to wholeheartedly wish you and the Chinese people greater success in the work to make the country richer, stronger, and more prosperous.

Kim Chong-il, chairman of the DPRK National Defense Commission and supreme commander of the KPA, 30 September 1995, Pyongyang.

### Further on Greetings

*SK3009105395 Pyongyang KCNA in English 1040 GMT 30 Sep 95*

["Comrade Kim Chong-il Sends Greetings to Comrade Jiang Zemin" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, September 30 (KCNA) — The great leader Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army, today sent a message of greetings to Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, president of the People's Republic of China and chairman of the Central Military Commission of the PRC, on the occasion of the 46th anniversary of the People's Republic of China.

Comrade Kim Chong-il said in the message that the foundation of the People's Republic of China was an event which brought a fundamental turn in the Chinese people's history of thousands of years.

He went on:

The Chinese people over the 46 years after the foundation of the PRC have built a new socialist China in the vast land of China through the arduous and glorious struggle under the correct leadership of the Communist Party of China.

The Chinese people are now vigorously advancing along the road of socialism chosen by themselves, firmly rallied around the Communist Party of China with you as its core.

The Korean people are sincerely rejoiced over the achievements made by the Chinese people in socialist construction.

We extend firm solidarity with the party, government and people of China in their efforts for the reunification of the country.

To develop the traditionally friendly and cooperative relations between Korea and China generation after generation is the consistent policy of our party and government and the desire of our two peoples. Korea-China friendship, which overcame all sorts of historical trials, will be steadily strengthened and developed by the joint efforts of the two parties, the two countries and the two peoples.

## Officials Meet PRC's XINHUA Delegation

### Choe Tae-pok Meets Group

*SK2909224395 Pyongyang KCNA in English*
*1112 GMT 29 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 29 (KCNA) — Choe Tae-pok, alternate member of the Political Bureau and secretary of the C. C. [Central Committee], The Workers' Party of Korea, today met and had a friendly talk with the visiting delegation of XINHUA News Agency led by its Vice-President Nan Zhengzhong.

Present there were deputy general director of the KCNA Pak Hyon- kyu and charge d'affaires ad interim of the Chinese Embassy Sui Xudong.

### Kim Chong-il Receives Gift

*SK2909224595 Pyongyang KCNA in English*
*1111 GMT 29 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 29 (KCNA) — The great leader Comrade Kim Chong-il received a gift from the visiting delegation of the XINHUA News Agency of China.

The gift was handed to an official concerned by the head of the delegation Nan Zhengzhong, vice-president of the XINHUA News Agency.

### Delegation Ends Visit

*SK30091!4895 Pyongyang KCNA in English*
*1042 GMT 30 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 30 (KCNA) — The delegation of the XINHUA News Agency of China headed by its Vice- President Nan Zhengzhong left here today after concluding its 11-day visit to Korea. It was seen off at Pyongyang Railway Station by Deputy General Director of KCNA Pak Hyon-kyu and Chinese Ambassador to Korea Qiao Zonghuai.

During its stay in Korea, the delegation visited Mangyongdae, the cradle of the revolution, the Tower of the Chuche Idea, the Mangyongdae School Children's Palace, the Mansudae Art Studio, the Korean Film Studio, the Sangwon Cement Complex, the Taean Heavy Machine Complex, the West Sea barrage, Panmunjom and other places in Pyongyang and local areas.

It also toured scenic Mts. Kumgang and Myohyang.

## Editorial Marks PRC Anniversary

*SK0110092095 Pyongyang KCNA in English*
*0829 GMT 1 Oct 95*

["NODONG SINMUN Observes 46th Anniversary of PRC" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 1 (KCNA) — NODONG SINMUN today dedicates an editorial article to the 46th founding anniversary of the People's Republic of China.

The foundation of the People's Republic of China is precious gains achieved by the Chinese people through the protracted arduous struggle and a historic event which opened a road of creation of new life and social progress in China, the editorial article says and continues:

With the foundation of the PRC, the Chinese people could realise their centuries-old desire to freely live and develop as masters of their destinies and government, free from the backwardness and poverty.

Referring to the advance made by the Chinese people under the leadership of the Communist Party of China overcoming manifold difficulties and trials, with their aspirations and will not abandoned, the article goes on to say:

The Chinese people are now striving to push ahead with the modernization of the country and build socialism with the Chinese characteristics under the leadership of the Communist Party of China with respected Comrade Jiang Zemin at the core.

All the achievements made in China over the past 46 years under the banner of the PRC show that China could save her destiny and the people improve their social status only under socialism.

China is pursuing an independent, sovereign and peace-loving foreign policy, making a contribution to the cause of peace in Asia and the world.

The Korean people are rejoiced as over their own over the successes made by the fraternal Chinese people and hope that everything is going well in China in the future, too.

Korea and China are close neighbouring countries and their peoples are firmly linked with the bonds of friendship.

The friendship between the two parties, countries and peoples of Korea and China is a precious friendship provided and developed by the great leader Comrade Kim Il-song together with the great leader of the Chinese people Comrade Mao Zedong, and respected Comrade Zhou Enlai. The friendship between Korea and China has continued to be consolidated and developed with the concern of the leaders of the two countries.

It is a desire and will of the Korean people to continue consolidating and developing the traditional friendship.

The Korean people will continue to make efforts to strengthen and develop the friendship.

They believe that the friendship, which has a long historical root, will strengthen and develop by the joint efforts of the parties, governments and peoples of the two countries generation after generation.

They wish the fraternal Chinese people a new success in their efforts to build socialism with the Chinese characteristics and reunify the whole country.

## PRC Groups Visit Kumsusan Memorial Palace

*SK2909054995 Pyongyang KCNA in English 0429 GMT 29 Sep 95*

[FBIS Transcribed Text] Pyongsang, September 29 (KCNA) — A delegation of Yuwen Middle School teachers in Jilin, China, led by Deputy Principal Zu Jishi, the first friendship visiting group of China led by Su Baozong, vice-chairman of the Standing Committee of the Tianjin Municipal People's Congress and a delegation of the International Softball Federation led by President Donald Emmett Porter [name as received] on Thursday [28 September] visited Kumsusan Memorial Palace in which the great leader President Kim Il-song is preserved in state and made bows before him.

Zu Jishi wrote in the visitor's book that President Kim Il-song will live forever in the hearts of teachers and students of Yuwen Middle School in Jilin, China.

Su Baozong wrote in the visitor's book that the great leader President Kim Il-song is immortal.

## PRC Envoy Gives Banquet on Anniversary

*SK3009052995 Pyongyang KCNA in English 0442 GMT 30 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 30 (KCNA) — Qiao Zonghuai, Chinese ambassador to Korea, gave a banquet at the embassy on Friday on the 46th founding anniversary of the People's Republic of China.

Invited there were Choe Tae-pok, alternate Politburo member and secretary of the Central Committee of the Workers' Party of Korea [WPK], and officials concerned.

The ambassador said in his speech that he was rejoiced over the achievements by the Korean people in carrying through the behests of President Kim Il-song and the economic strategy, firmly rallied around the WPK led by Comrade Kim Chong-il.

He expressed the hope that the Korean people would achieve greater success in the future, too.

Referring to the friendly relations between the two peoples of China and Korea, he stressed that the party and government of China would make all efforts to consolidate and develop down through generations the Sino-Korean friendship forged and developed by the veteran proletarian revolutionaries of the two countries.

Secretary Choe Tae-pok said in his speech that under the leadership of the Communist Party of China since the foundation of the Republic the Chinese People have turned backward China into a new developing and prosperous socialist China in the revolutionary spirit of self-reliance and working hard and are vigorously advancing along the road chosen by themselves.

He wished the Chinese people greater success in their struggle to achieve socio-political stability, build socialism with Chinese characteristics and reunify the country.

He said the Korean people would make active efforts to invariably consolidate and develop the friendship with China, true to the noble intention of the great leader Comrade Kim Chong-il to develop the friendship with China generation after generation.

A film show and a reception took place at Chinese Consulate General in Chongjin, Korea, on the national day.

## Koreans in China Urge Release of Pak Yong-kil

*SK3009045495 Pyongyang KCNA in English 0411 GMT 30 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 29 (KCNA) — The General Association of Korean Citizens in China made public a statement on September 26, denouncing the South Korean authorities for persecuting Presbyter Pak Yong-kil, who is chairperson of the 70 million Korean people's meeting for embracing national unification and co-chairperson of the family movement for realising democracy in South Korea, by invoking the "National Security Law [NSL]" for the reason that she had visited Pyongyang to express reverence for the great leader President Kim Il-song on the first anniversary of his death.

The statement said:

"Her visit to Pyongyang was a patriotic praiseworthy behaviour that has opened a breakthrough of reunification in the barrier of national division. But the Kim Yong-sam group detained her on the charge of violation of "NSL". This is another indelible crime."

Condemning the Kim Yong-sam group's suppression of the woman as an inhumane act ignorant of ethics and morality and an anti-national criminal act aggravating inter-Korean relations, the statement strongly demanded the abolition of the "NSL" and her release.

### Kim Chong-il Thanks Korean Students in Japan

*SK3009051595 Pyongyang KCNA in English 0424 GMT 30 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 30 (KCNA) — The great leader Marshal Kim Chong-il sent thanks to the members of the home-visiting group of students of Korean University under the General Association of Korean Residents in Japan led by Ko Hyon-chon for the patriotic relief they rendered to flood victims during their stay in the homeland.

The thanks were conveyed to them with a due ceremony.

Those who spoke at the ceremony praised respected General Kim Chong-il as a great man and kind father as well as an invincible commander who startles the world. They vowed they would devotedly work to make their country and their motherland more prosperous with a firm belief that General Kim Chong-il means their chuche socialist motherland.

### Chongnyon Groups Send Letters to Kim Chong-il

*SK2909053595 Pyongyang KCNA in English 0422 GMT 29 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 29 (KCNA) — The great leader Marshal Kim Chong-il received letters from organisations under the General Association of Korean Residents in Japan (Chongnyon).

The letter from the participants in the 17th congress of the League of Korean Youth in Japan says the young Koreans in Japan cherish the unshakable belief that they will certainly win as long as they have the outstanding idea and leadership of respected General Kim Chong-il and invincible chuche socialist homeland and that they are firmly determined to hold the fatherly leader Generalissimo Kim Il-song in high esteem for all ages and creditably carry forward the chuche revolutionary cause and Chongnyon's patriotic cause, as he desires.

The League of Korean Youth in Japan will be developed as a mass organisation of young loyalists and patriots in keeping with its mission as the successor to Chongnyon's patriotic cause and as a young pioneer in the creation of an independent new history, the letter says, adding that the movement of young Koreans in Japan will be turned into a mass patriotic movement of creation and innovation.

The letter from the participants in the 23rd congress of the Democratic Union of Korean Women in Japan says: "The Korean women in Japan will strengthen national solidarity with overseas Koreans and actively support the South Korean people's struggle under the banner of '10-point Programme of the Great Unity of the Whole Nation for the Reunification of the Country' published by Generalissimo Kim Il-song and will creditably perform the union's duty to reunify the country through a confederacy in the 1990s."

The letter from the participants in the meeting of Korean educational workers and scientists in Japan and students studying at Japanese schools held to thank Marshal Kim Chong-il for the 132nd remittance of educational aid fund and stipends expresses the resolve of the Korean educational workers in Japan to enhance the qualitative level of school education, train the younger generation into competent native cadres and patriots and contribute to creditably carrying forward the traditions of the patriotic cause.

The letters sincerely wish Marshal Kim Chong-il good health and a long life.

### Premier Receives Message From SRV Counterpart

*SK0110021595 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 28 Sep 95*

[FBIS Translated Text] Comrade Kang Song-san, premier of the Administration Council, has received a reply message from Vo Van Kiet, prime minister of the Socialist Republic of Vietnam, to the message which he had sent on the 50th anniversary of a Vietnamese national day. The reply message pointed out that he sincerely appreciated the warm congratulations.

### Vice President Meets Jordanian Delegation

*SK3009051895 Pyongyang KCNA in English
0419 GMT 30 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 29 (KCNA) — Vice- President Pak Song-chol met and had a friendly talk with the parliamentary delegation of Jordan led by speaker of the House of Representatives Sa'd al-Surur at the Mansudae Assembly Hall today.

Present there was Kim Yong-ho, vice-chairman of the Foreign Affairs Committee of the Supreme People's Assembly.

The head of the delegation said that during their stay here, they could see the achievements made by the Korean people in various domains and the achievements are a model for all the countries of the world.

The achievements could be made thanks to President Kim Il-song, who put the theory for the development of the country into practice, and thanks to the unique social system of Korea and the single-hearted unity between the leader and the people, he added.

He hoped that the Korean people will achieve progress and prosperity in socialist construction of the country under the wise leadership of the great Comrade Kim Chong-il, true to the behests of President Kim Il-song.

### Jordanian Delegation Leaves

*SK0110000295 Pyongyang KCNA in English
1509 GMT 30 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 30 (KCNA) — The parliamentary delegation of Jordan led by Speaker of the House of Representatives Sa'd al-Surur left here today after concluding its eight-day visit to Korea.

It was seen off at the airport by Yang Hyong-sop, chairman of the Supreme People's Assembly [SPA], Yi Mong-ho, secretary of the Standing Committee of the SPA, and officials concerned.

During its stay in Korea, the delegation visited Mangyongdae, the cradle of the revolution, the West Sea barrage, the Tower of the Chuche Idea, the Taean Heavy Machine Complex, the Korean Film Studio, the Sangwon Cement Complex and others.

It also appreciated a performance of Korean acrobats and toured scenic Mt. Kumgang.

### Libyan Delegation Arrives in Pyongyang

*SK0110000795 Pyongyang KCNA in English
1511 GMT 30 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 30 (KCNA) — A delegation of the great Socialist People's Libyan Arab Jamahiriya led by Miftah Muhammad Ku'aybah, marine wealth secretary of the General People's Committee of Libya, arrived here today to participate in the 11st meeting of the joint committee between governments of Korea and Libya.

It was greeted at the airport by Yi Song-tae, chairman of the State External Economic Affairs Commission, and Ramadan Muhammad al- Ra'ubi, acting secretary of the People's Bureau of the great Socialist People's Libyan Arab Jamahiriya.

### WPK Group Returns From Latin America

*SK0110021895 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 28 Sep 95*

[FBIS Translated Text] A Workers Party of Korea [WPK] delegation led by (Pak Kyong-son), vice director of a department of the WPK Central Committee, returned home today by train after visiting Latin American countries. Yim Sun-pil, vice director of a department of the WPK Central Committee, received the delegation at Pyongyang Station.

### Kim Chong-il Thanks Foreign Language News Group

*SK3009053195 Pyongyang KCNA in English
0446 GMT 30 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 30 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to officials of the foreign language press group for their great success in editing and publishing publications for external propaganda.

They translated 40 volumes of "Kim Il-song's Works", a great encyclopedia of revolution and construction, into foreign languages and published them.

They also brought out the great leader President Kim Il-song's reminiscences "With the Century", "Kim Chong-il's Selected Works" and other books in foreign languages.

### Kim Chong-il Thanks Various Units

*SK0210051095 Pyongyang KCNA in English
0407 GMT 2 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 2 (KCNA) — The great leader Comrade Kim Chong-il thanked party organizations, units and working people in Yanggang Province including the Yanggang Provincial Committee of the Workers' Party of Korea, the Yanggang Provincial Administrative and Economic Committee and a worker of the Taehongdan revolutionary battle site preservation office, Kim Tae- ho, for the sincere assistance they had given to the marchers of youth vanguards of the Korean People's Army.

Comrade Kim Chong-il also sent thanks to the medical workers of the People's Hospital, Youth League officials and residents in Tosan County, North Hwanghae Province, for donating blood and skin and saving a pupil who suffered burns on 70 percent of his body by an accident.

Comrade Kim Chong-il thanked the construction headquarters,the metal plant construction complex, the April 13 iron works and other units for completing the road pavement project in Nampo Municipality in a responsible manner.

### Kim Chong-il Thanks Working People

*SK3009051495 Pyongyang KCNA in English 0422 GMT 30 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 30 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to Kim Kum-nyo, a worker of the Aeguk Moran garment factory; Chu Sun-hui, a farmer of the Kwijon cooperative farm in Changpung County, Kaesong Municipality; U Myong-ok, a teacher of the Panmun Primary School in Panmun County, Kaesong Municipality; and Kim Sung-yon, a worker of the Yonsan County welfare service management office in North Hwanghae Province; for the good things they had done for society and the collective.

Comrade Kim Chong-il also thanked the family of Kim Sok-man, chief engineer of a branch factory of the So Myong-kwan works, and the families of his four children for their active assistance to the socialist countryside.

### Overseas Koreans Lay Flowers Before Statue

*SK2909054595 Pyongyang KCNA in English 0427 GMT 29 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 29 (KCNA) — The home-visiting group of students of Korean University of the General Association of Korean Residents in Japan (Chongnyon) on Thursday [28 September] laid a floral basket and made a bow before the statue of the great leader President Kim Il-song on Mansu Hill.

An art troupe of Korean youth in Japan, a delegation of Chongnyon artists, the 246th short-term home-visiting group of Koreans in Japan, a delegation of the overseas headquarters of the National Alliance of Youth and Students for the Country's Reunification (Pomchonghangnyon) led by Vice-Chairman of the Central Standing Committee of the League of Korean Youth in Japan Cho Son-o and Vice- Chairman of the South Korean Youth League in Japan Yi Chong-su, who are directors of the joint secretariat of the overseas headquarters of Pomchonghangnyon, laid bouquets of flowers and made bows before the statue of President Kim Il-song on Wednesday.

### Relay Race Groups Advance Toward Pyongyang

*SK2909140495 Pyongyang Korean Central Television Network in Korean 1100 GMT 26 Sep 95*

[FBIS Translated Text] At a time when all the people across the country are waging active struggle to glorify the 50th anniversary of the founding of the party with high political enthusiasm and brilliant labor feats, relay race groups — which left different parts of the country to convey letters of loyalty addressed to Comrade Kim Chong-il, the great leader [yongdoja] of our party and people — are stoutly advancing toward the place where the grand October festival will be held.

Bearing the banners of portraits of the great leader Comrade Kim Il-song and the great leader [yongdoja] Comrade Kim Chong-il, the members of the relay race groups of Administration Council committees and departments and central organs are energetically running forward. Their hearts are filled with a burning pledge to complete to the end the chuche revolutionary cause by only believing in and following the great leader [yongdoja] Comrade Kim Chong-il according to the fatherly leader's behests.

Meanwhile, the loyalty letter-carrying relay groups, which left the historic Mt. Paektu secret camp, Hoeryong, and other parts of the country, were warmly greeted and sent off by the working people of different strata, soldiers of the People's Army, and students and youths at every place they arrived, and are running toward the place where the grand October festival will be held.

While transferring and taking over the loyalty letters addressed to the great leader [yongdoja] Comrade Kim Chong-il, the members of the relay race groups, which are traveling every nook and corner of the country that is seething with the pledge to carry forth the party's revolutionary economic strategy, are renewing their resolution to endlessly add luster to the glorious Workers Party of Korea, founded by the fatherly leader as the party of Comrade Kim Il-song; to boundlessly uphold the respected and beloved General Kim Chong-il; to enrich our country, our fatherland; and to consummate to the end the chuche revolutionary cause.

### North Portrayed as 'Big Harmonious Family'

*SK2909235295 Pyongyang KCNA in English 1042 GMT 29 Sep 95*

[FBIS Transcribed Text] Pyongyang, September 29 (KCNA) — There is a blood relationship between the leader and the people and between the members of society in Korea, the whole of which is a big harmonious family.

Letters and replies between the leader and the people eloquently show how deep the love, trust and loyalty between them are.

The people hold the great leader Comrade Kim Chong-il in high esteem as their father and entrust everything to him. In letters, they unreservedly tell him what are kept in their minds, even what they hesitate to tell their parents.

Yi Chang-ung, an officer of the Korean People's Army, and his six brothers and one sister sent a letter to Comrade Kim Chong-il, informing him that they have become People's Army soldiers and members of the Workers' Party of Korea thanks to the high political trust and care of the party.

After reading their letter, Comrade Kim Chong-il sent the following autographic reply to them:

"To revolutionary soldiers faithful to the country and the people, the party and the leader,

I think that it is a great pride for our people and Army to have such fine soldiers as you who are devoting themselves to the revolutionary cause. ..."

In the 1990s alone, Comrade Kim Chong-il received letters from many people from all walks of life including the members of the second rolling party cell of the blooming shop of the Chollima Steel Complex, the farmers of the third workteam of Chongnan Cooperative Farm in Kangso District, Nampo Municipality, and the teachers of the party cell of the first department of political economy of the economic faculty of Kim Il-song University. In the letters, they unbosomed themselves to him.

Busy as he was, Comrade Kim Chong-il, who thinks only of the people and works only for them, personally replied to them.

Besides, he sends birthday tables to working people who devotedly worked for the prosperity and development of the socialist homeland.

A few days ago, he sent 60th birthday tables to seven officers of the Korean People's Army.

Countless are 80th, 90th and 100th birthday tables he sent to long-livers.

Boundless love of Comrade Kim Chong-il deeply move the people and make all of them performers of exploits and true-hearted men possessed of the most beautiful and noble personalities.

Beautiful deeds of the people of the present times can be found in all parts of Korea: At a crucial moment, some people unhesitatingly sacrifice themselves to save human lives and state assets; medical workers graft corneas of their eyes and those of their flesh and blood into blind people and donate their blood, skin and bones for patients in critical conditions; some adopt orphans and old persons who have no children and take warm care of them as they would do their own children and parents; and some are married to the disabled soldiers who were wounded at the defence posts.

This is a fragrance peculiar to Korea in which Comrade Kim Chong- il's politics of love for human beings is being enforced.

This politics finds its concentric expression in the slogan "We serve the people "

As the slogan says, Comrade Kim Chong-il made the party the mother of the people, the government the householder and officials servants faithful to the people.

Today, the Korean people are enjoying a harmonious life in a big family the father of which is Comrade Kim Chong-il.

### Daily Stresses Loyalty to Party

*SK0210014595 Pyongyang NODONG SINMUN in Korean 27 Aug 95 p 2*

[Article by Kim Myong-i: "The Loyalty to the Party Is the Best Expression of Collectivism"]

[FBIS Translated Text] In his classical work entitled "It Is an Indispensable Demand To Give Priority to the Ideological Work in Achieving the Socialist Cause," the great leader [yongdoja] Comrade Kim Chong-il has presented an ideology indicating that the loyalty to the party is the best expression of collectivism.

The great leader Comrade Kim Chong-il has indicated: "The loyalty to the party is the best expression of collectivism. Also, it is the most basic ethos communist revolutionaries should have."

The working class party is the protector of the popular masses' political life, as well as the political guide that leads the revolutionary struggle to victory. Revolutionaries and people can enjoy their true life and happiness only under the party's leadership, while having a valuable political life. Their firm faith and obligation are to be loyal to the party.

The loyalty to the party means that the popular masses should endlessly trust in the party by resolutely safeguarding and protecting it, and that they should uphold the party's ideology and leadership by entrusting their destiny to it.

Therefore, the loyalty to the party becomes the best expression of collectivism.

In short, collectivism is an ideology that attaches more importance to the collective interest than to individual interest. In collectivism, the collective body is the popular masses. Also, when we speak of the collective interest we are referring to the interest of the popular masses.

The reason for the loyalty to the party becoming the best expression of collectivism is because the working class party is the representative of the popular masses' interest.

The working class party is literally the political organization that struggles for the protection of the working class' interest.

The interest of the working class is directly linked to the popular masses' interest. The demand and interest of the working class are not only consistent with the popular masses' demand and interest, but also reflect them more intensively. No class, social stratum, and individual group — which form the popular masses — can more greatly achieve the popular masses' independent demand and interest than the working class. This is why we call the working class as the key unit of the popular masses. Therefore, struggling to protect the interest of the working class is just the struggle for the interest of the popular masses. Also, being loyal to the party — the vanguard unit of the working class — is the loyalty to the popular masses, including the working class.

The matter that for whose interest the party represents can be intensively arose in the party's lines and policies. The working class party reflects the intent and interest of the popular masses. Also, it works out lines and policies by expressing their intent and interest. The working class party's line and policy are the organizational intention of the working class and the popular masses that more correctly reflects the demand and interest of the popular masses. We should accept the party's line and policy as an absolute truth and make all efforts for their implementation. Herein lies the boundless loyalty to the popular masses, as well as the devotedness for the social group.

Another reason for the loyalty to the party becoming the best expression of collectivism is also because the working class party is the leadership-oriented political organization that leads the struggle for achieving the popular masses' independent demand and interest.

The popular masses' independent demand and interest can be safeguarded and achieved in a struggle. Such struggle by the popular masses can be properly organized and led by the party.

The working class party is the leadership-oriented political organization of a society. Under the party's leadership, the political activity of the working class and working people can be conducted and the revolution and construction can be advanced victoriously. Therefore, we should uniformly adhere to and lead the revolutionary activity of the popular masses. Herein lies the position and role the working class party occupies in a society.

The working class party arms the popular masses with the revolutionary idea and organizationally unite them. By so doing, it makes them become the powerful chuche of the revolution. Also, it leads the popular masses into the revolutionary struggle by presenting the correct line and policy in each period and stage. Such position and role of the party as the leadership-oriented political organization cannot be accomplished by any political organization. The popular masses' independent demand and interest can be thoroughly safeguarded and achieved only when the party's ideology and leadership are embodied brilliantly. Therefore, the loyalty to the party's leadership becomes the firm guarantee for the popular masses' happiness and the country's prosperity.

Ordinary party members and masses are not responsible for the collapse of socialism in the various countries, but betrayers of socialism — who betrayed the party and who obliterated the party's leadership — are responsible for it.

Betrayers of socialism have viciously plotted to alleviate the party's leadership function and the people's trust in the party in order to collapse socialism. Because the party, the leadership- oriented political organization, has become little more than a mere name and collapsed in those countries, the governments and the socialist systems collapsed as well, losing their direction. As a result, the people in those countries faced the miserable life of capitalism that had never been thought even in a dream. Today, the people are endlessly denouncing the act of betrayers — who broke down the party — as the most vicious criminal act. This clearly shows that the betrayer of the party is the intensive expression of the betrayal and treachery of the people.

The loyalty to the party is synonymous with the loyalty to the leader [suryong]. The working class party can be founded by the leader and, also, can be strengthened and developed under the leadership of the leader [suryong]. The leader [suryong] is the highest personifier of the interest of the working class and the popular masses. Also, the working class party's line and policy are the strategy and tactics of the revolution to embody the leader's revolutionary idea. The leader leads the revolutionary struggle of the popular masses through the party. The party is synonymous with the leader. Because the party is the party of the leader, the loyalty to the party is the loyalty to the leader. Therefore, we should sincerely uphold the leader and be endlessly loyal to him. This is the best expression of the collectivism, as well as the basic core of ideology of collectivism.

Today, our people are endlessly loyal to the great leader [yongdoja] Comrade Kim Chong-il's ideology and leadership and highly praise him that he is synonymous with our party. This is the best expression of the socialist collectivism. The ideological and spiritual world of our people is to seek the best happiness by devotedly struggling to give joy to the party, while endlessly admiring and following the great leader Comrade Kim Chong-il day and night. Our people's noble spirit of collectivism — which has been raised as the spirit of the absolute admiration for their leader [yongdoja] — has become the source of solidarity and invincibility of socialism of our own style.

The great leader Comrade Kim Chong-il has stated that the loyalty to the party is the best expression of collectivism. This is very significant.

As a result of the presentation of this profound ideology, the most important ideological and spiritual ethos the true communist revolutionaries should have has been disclosed.

Revolutionaries are the persons who have embarked upon the road of revolution by determining that they will fight for the fatherland and the people, devoting their all.

Because the great leader Comrade Kim Chong-il has stated that the loyalty to the party is the best expression of collectivism, the valuable guideline for fostering the true communist revolutionaries has been prepared. Therefore, all people have come to regard the loyalty to the party and the leader as their first life, as well as to more thoroughly prepare themselves as the true loyalists, warm revolutionaries.

The great leader Comrade Kim Chong-il has also stated that the loyalty to the party is the best expression of collectivism. As a result, we were able to prepare the powerful ideological and theoretical weapon that enables the working class party — which builds socialism — to constantly deepen the ideological work based on the clear objective and direction.

For the working class party to successfully carry out the ideological work, it should have the superior ideology, as well as the right objective and direction. In essence, the socialist idea is the ideology of collectivism. Because it has been disclosed that the loyalty to the party is the best expression of collectivism, the working class party should carry out the indoctrination of loyalty as the most important work in its ideological work and, also, constantly consolidate and develop it. As a result, a principle that all ideological works should be linked to the indoctrination of loyalty has been expounded. Thus, we were able to make all social members become the true loyalists who are endlessly loyal to the party and the leader [suryong] and who devote their all to a society and groups. Also, we were able to more vigorously consolidate the ideological basis of socialism.

## Imbuement of Society With Ideology Lauded

*SK0110032095 Pyongyang Korean Central Broadcasting Network in Korean 2240 GMT 27 Sep 95*

[Unattributed talk: "The Party's Ideological Work Is an Important Work To Imbue the Revolutionary Ranks With Ideology"]

[FBIS Translated Text] Achieving the imbuement of the whole society with ideology is one of the basic problems that determines the destiny of the revolutionary struggle and construction work. The revolution and construction can be victoriously advanced by the popular masses' struggle carried out with a goal in their minds. The popular masses are the masters of the revolution and construction, as well as the people directly in charge of them.

For the popular masses to fully play their role as masters of the revolutionary struggle and construction work, they should be awaked politically and ideologically and be united organizationally. The party's ideological work is an important work to imbue the revolutionary ranks with ideology that firmly unites people as one political force.

The great leader Comrade Kim Il-song taught: In essence, the party's ideological work is the work to imbue the party and the revolutionary ranks with ideology, enabling party members and working people to rise in carrying out the revolutionary struggle and construction work.

As taught by the great leader [suryong], the party's ideological work is the work to make the entire people and all people take a breath and act uniformly all the time and everywhere, arming them with one idea. In other words, this is a work to imbue the revolutionary ranks with ideology, as well as a work to lead party members and working people to the revolutionary struggle and construction work.

The party's ideological work becomes important in imbuing the revolutionary ranks with ideology. This is because it is the work to strongly arm party members and working people with the leader's [suryong] revolutionary idea. Strongly arm party members and working people with the leader's revolutionary idea is a preferential demand to imbue the revolutionary ranks with ideology. To imbue the revolutionary ranks with ideology, we should make all party members and working people become fully aware of the leader's ideology and the party's policy, making them think and act the way they do.

For party members and working people to fully study and grasp the leader's ideology and the party's intent, as well as to make them become their bone and flesh, first of all, they should become aware of its ideological and theoretical contents. Also, they should grasp the meaning of the party's and the leader's [suryong] intent and plans when they think and act as intended by the party and the leader [suryong].

The work to arm party members and working people with the party's and leader's ideology and theory can be carried out by the party's ideological work. The important duty of the party's ideological work is to correctly and timely penetrate the leader's ideology and the party's policies into the low echelon from the center.

Through the system to penetrate the party's lines and policies into the entire party and the whole society, the leader's ideology and theory and the party's policies — which have been raised every time — have been correctly conveyed to party members and working people. As a result, they will fully become aware of the meaning of the party's and leader's intent and plans.

Through the party's ideological indoctrination network, party members and working people can systematically, comprehensively, and fully study and grasp the leader's profound and multilateral ideology and theory, as well as the party's lines and policies, thus making them become their flesh and bone.

Therefore, the party's ideological work becomes an important work that makes it possible to successfully achieve the imbuement of the revolutionary ranks with ideology by strongly arming party members and working people with the leader's ideology and theory and the party's policy.

The reason for the party's ideological work becoming important in achieving the imbuement of the revolutionary ranks with ideology is also because it makes party members and working people take a breath and act as intended by the leader's ideology. Making all party members and working people think and act as intended by the leader's ideology is essential to the work to imbue the revolutionary ranks with ideology.

We can say that the imbuement of the revolutionary ranks with ideology can be firmly achieved only when all party members and working people are armed with the leader's ideology and the party's policy, when they think and act as demanded by the leader's ideology and the party's intent in any situations, and when they uniformly move as an organ body to safeguard and adhere to the leader's ideology and the party's intent.

The party's ideological work plays important role in leading party members and working people to think and act as demanded by the leader's ideology and the party's intent. The party's ideological work makes all party members and working people think and act as demanded by the leader's ideology and the party's intent. In this course, it makes the leader's ideology and the party's intent become their own creed.

Also, the party's ideological work makes it possible to successfully achieve the imbuement of the revolutionary ranks with ideology by inspiring party members and working people to actively struggle against all kinds of unsound ideological elements running counter to the leader's revolutionary idea. All of these facts show that the party's ideological work is an important work that makes it possible to successfully achieve the imbuement of the revolutionary ranks with ideology by making party members and working people become communist revolutionaries, who think and act as intended by the leader's ideological will.

The ideology and theory that indicate that the party's ideological work presented by the great leader Comrade Kim Il-song is an important work to achieve the imbuement of the revolutionary ranks with ideology have been consolidated, developed, and embodied brilliantly.

Under the wise leadership of the great leader Comrade Kim Chong- il, all party organizations are now concentrating might on fostering party members and working people to become the chuche-style communist revolutionaries. The struggle to achieve the imbuement of the revolutionary ranks with ideology has been vigorously carried out in our country at a higher level in compliance with the demands of the developing revolution that models the whole society on chuche idea.

By further consolidating and developing the party's ideological work, all party organizations should consolidate and develop the work to imbue the party and revolutionary ranks with ideology. Also, they should actively contribute to accelerating the chuche revolutionary cause.

### Daily Notes Disparity of 'New Way of Thinking'

*SK0110060395 Pyongyang NODONG SINMUN in Korean 26 Aug 95 p 6*

[Article by Choe Hak-chol: "A New Way of Thinking that Sold Socialism to Imperialism"]

[FBIS Translated Text] In his immortal and classical work entitled "It Is an Indispensable Demand To Give Priority to the Ideological Work in Fulfilling the Socialist Cause," the great leader [yongdoja] Comrade Kim Chong-il has disclosed the maneuvers of betrayers of socialism who want to compromise with imperialists without adhering to principle by talking about "a new way of thinking" and "all mankind-oriented value," as well as who sold socialism to capitalism by following the anti-socialist maneuvers.

In his work, the great leader Comrade Kim Chong-il has indicated: "Betrayers of socialism have paralyzed people's class consciousness and classically changed socialism under a deceitful slogans entitled "A new way of thinking" and "All mankind-oriented value." The so-called "A new way of thinking" and "All mankind-oriented value" without working class-oriented views and position are the bourgeois way of thinking, as well as the bourgeois-oriented view of value."

The road to socialism is the road of the stern revolution in which we should advance by sharply confronting with and struggling against imperialism. To successfully build socialism, therefore, we should resolutely struggle against imperialism by firmly adhering to the revolutionary principle.

In the course of building socialism, communism, environment and condition of the revolutionary struggle can be changed, but the uncompromising view and position should be never changed. In a struggle whether we choose socialism or capitalism, discarding the revolutionary principle means just the surrender and betrayal.

In confrontation against imperialism, if we discard the working class-oriented view and position, the socialism can be changed. This is a serious lesson learned from the collapse of socialism in the former Soviet Union and other East European socialist countries.

While loudly and domestically talking about "reform" and "reorganization," betrayers of socialism have decreased the communist party's role, broken up people's faith in socialism, and carried out the anti-socialist maneuvers to introduce the capitalist market system. Also, they have externally talked about compromise with imperialism without adhering to principle under the deceitful slogans such as "A new way of thinking" and "All mankind-oriented value."

The meaning of the "new way of thinking" is that "one thinks newly." This indicates the inner thought of capitulationism. In other words, this is that for socialism and capitalism to be coexistent peacefully and to cooperate each other transcending the differences in system and ideology, they should achieve "non-ideological work" in international affairs, while giving priority to "all mankind-oriented value" over class-oriented and national interest.

The betrayers of socialism let out the sophistry that the "new way of thinking" is based on a "realistic viewpoint" of regarding human beings, including the class enemy, as brothers with the same reasoning power, neighbors living in a common house named earth, "beings in the same situation who are awaiting the moment of being burnt alive" in the flames of nuclear war, and the hostages of atomic bombs. Then, they lectured on the significance of meditating the class, social, political, national, and racial concepts — such as "class," "fatherland," "nation," and "party" — in the broad concept of what expresses "the common nature of man," such as a "planet," "mankind," and "civilization."

This was an antirevolutionary and antisocialist lecture calling for a compromise with imperialists without principles. This was aimed at eliminating the working-class viewpoint and position under the cloak of "thinking newly" and ultimately destroying socialism.

The betrayers of socialism advertised the "new way of thinking" as if it reflected the "inevitable demand of the objective realities." The "objective realities" mentioned by them are that human beings have come to have close relations thanks to the development of science and technology and that socialism and capitalism should stop fighting and "get along well with each other" since nuclear weapons, which allow neither winners nor losers and may ruin mankind, have appeared.

This explanation made by the betrayers of socialism is nothing but a preposterous sophistry aimed at hiding their surrender-like nature originated from an illusion of imperialism and fear of nuclear weapons.

Since the day when socialism was created, imperialists have maneuvered to eliminate socialism, blaring it is a "mistake of history." To this end, imperialists have mobilized all possible means, such as political pressure, economic sanctions, diplomatic isolation, and military offensive. Imperialists' hostility against socialism and their ambition to isolate and crush socialism will never change and becomes more unscrupulous as shown by reality.

Notwithstanding, while mentioning the "objective realities and upholding the deceptive and reactionary slogan for the "new way of thinking," betrayers of socialism spoke as if the aggressive and brigandish nature of imperialism had changed, thus paralyzing the people's class-conscientiousness, opening a road for imperialists' antisocialist maneuver, and overturning socialism in collusion with the imperialists.

Considering the "new way of thinking" a basic principle in developing external relations, the betrayers of socialism began to seek a compromise with imperialists by employing "pragmatic" and "realistic" methods. Saying that "it was wrong to be hostile to the Western countries in the past," they told their diplomats that it is "unacceptable" for them to fail to achieve compromises with Western dialogue partners, "adhering to" their own positions. This was, by nature, aimed at currying favor with Western countries to receive as much "assistance" as possible for realizing their "reform" policy by any means, taking no regard of the socialist principle.

When the betrayers of socialism cast an amorous glance at them while talking about the "new way of thinking" and "universal values of mankind," imperialists took advantage of this as a good chance for destroying socialism. Availing themselves of the thoroughly conciliatory attitude of the betrayers of socialism, they made demands aimed at the internal collapse of socialism — such as the freedom of immigration, freedom of religion, permission of activities against the system, and the introduction of the market economy — as preconditions for their "assistance" and improvement in relations. They also forced the betrayers of socialism to accept their unilateral demands in negotiations on the reduction of nuclear and conventional weapons.

The betrayers of socialism accepted all of the highhanded demands made by the imperialists. The betrayers of socialism did not hesitate in selling their allies to curry favor with the imperialists.

At the beginning of the "reform," the betrayers of socialism promised that "they would never turn their back on their allies' interests." However, it had been not long since then that they made reverse remarks. Saying "diversification of interests must be considered in international relations," they stressed it is important to place "universal values of mankind" above proletarians' class interests. The insistence on "placing universal values of mankind above all" means the willingness to abandon the proletarians' international duties and sell those who were their comrades yesterday in order to benefit the Western imperialists. In fact, the betrayers of socialism behaved in this way. Their knavish acts resulted in the tragic situation that East European countries fell in succession victims to the imperialists' antirevolutionary maneuvers.

Imperialists were satisfied with the "sudden, speedy, complete, and unexpected result" of the confrontation with socialism, which was achieved without firing a shell, and praised the advocators of the "new way of thinking" as "world-famous figures."

The "new way of thinking" was a great gift that the betrayers of socialism presented to the imperialists after disarming socialism by themselves.

Facts bitterly show how tragic aftermath resulted from the abandonment of the working-class viewpoint and position, as well as the revolutionary principles, in the confrontation with imperialism.

The peoples of the countries where socialism has been frustrated are now vigorously carrying out the struggle to rebuild socialism, repenting of having been unable to correctly recognize the maneuvers by the betrayers who surrendered to the imperialists and frustrated socialism.

## Radio, TV Report Progress of Grain Harvest

*SK3009142795*

[FBIS Editorial Report] The following is a compilation of news reports on grain harvesting by agricultural workers and cooperative farms in the DPRK. The reports are from 25 to 28 September broadcasts of Pyongyang Korean Central Broadcasting Network in Korean and Pyongyang Korean Central Television Network in Korean.

Pyongyang Korean Central Broadcasting Network in Korean at 2100 GMT on 25 September carries a brief report on "corn harvesting" being accelerated by agricultural workers in Hwangju County, North Hwanghae Province so as to complete the corn harvesting before the rice harvest, noting that the workers across the county harvested corn produced from 1,000 chongbo [1 chongbo is 2.451 acres] each day. Citing the names of cooperative farms which have already completed the corn harvesting, the report says that many other farms are accelerating the harvesting "in the final stage."

Pyongyang Korean Central Television Network in Korean at 1100 GMT on 26 September carries five reports on autumn harvesting and other farm work, including the sowing of fields with barley, at each cooperative farm.

The first report notes that agricultural workers on Chongsan farm have begun the first rice harvesting. In an interview with one of the workers, the worker says that every farm in the field will reap a good harvest [nongsaga chal toetta] and that this is a "fruition" of the wise leadership of the respected General Kim Chong-il.

The second report says that agricultural workers in Sinchon County have completed corn harvesting and begun threshing, and thanks to the ardent zeal of the workers, the threshing work has been accelerated.

The third report notes that Hyongje cooperative farm workers are also vigorously accelerating the corn harvesting struggle and that by fully operating threshing machines, they have threshed "scores of tonnes of corn" every day.

The fourth report says that cooperative farm workers in Sinpyong County are vigorously accelerating corn threshing, noting that "they threshed corn assiduously lest even a grain of corn be discarded negligently."

The fifth report notes that cooperative farm workers in Ongjin County are accelerating the sowing of fields with barley, and that guiding personnel at the farm explained the need to "farm two crops a year," as demanded by the chuche agricultural method, thus inspiring the farm workers. The report adds that the operators of sowing machines are sowing the seeds in "more areas than planned daily" by further increasing their responsibility and role.

Pyongyang Korean Central Broadcasting Network in Korean at 1200 GMT on 26 September carries two brief reports on "harvesting" and "threshing" of corn at cooperative farms.

The first report says that cooperative farms around Pyongyang have begun autumn harvesting, noting that there will be a "good rice harvest." The reports point out that "five more tonnes of rice" than last year are expected to be produced per one chongbo in Sadong District, and "three tonnes more" in Yokpo District. The report adds that the cooperative farms in the city are carrying out a vigorous struggle with a determination to "thoroughly complete autumn harvesting before 10 October."

The second report states that agricultural workers in Paechon County, South Hwanghae Province are accelerating the threshing of corn, following its harvesting. The report stresses that through an assiduous working manner, the agricultural workers in the county have threshed "more than 3,800 tonnes of corn during the one-week period," adding that agricultural workers in Kumsong and Suwon cooperative farms threshed more corn than planned each day by accelerating threshing in such a manner as to save even one grain of corn.

The report notes that the Taehongdangun General Farm is accelerating the digging of potatoes, noting that the guidance personnel carried out "economic organizational work to successfully complete potato harvesting," and emphasizes that agricultural workers at Sindok, Soju, and Samjong cooperative farm are harvesting all potatoes without "negligently discarding even one piece of potato."

Pyongyang Korean Central Broadcasting Network in Korean at 2100 GMT on 26 September carries a brief report that cooperative farms in Kumya County, South Hamgyong Province are harvesting from "250 to 300 chongbo of corn every day." The report points out that "cherishing pride in having attained a good harvest this year," the agricultural workers in the county have so far harvested 60 percent of the targeted total production plan for corn.

Pyongyang Korean Central Broadcasting Network in Korean at 1200 GMT on 27 September carries a brief news report on cooperative farms in Chaeryong County, South Hwanghae Province "daily harvesting rice equivalent to six percent of the average total target." The report says Samjigang, Naerim, Chigwanpo, and Chaechon cooperative farmers are concentrating facilities such as reaping machines, and are organizing efforts rationally, thus harvesting more rice than the projected daily target. The report concludes by saying that "even though only a few days have passed since rice harvesting started, they achieved results of harvesting some 3,500 chongbo of rice."

Pyongyang Korean Central Broadcasting Network in Korean at 1200 GMT on 27 September also carries a one-minute news report on farmers at Chonggye cooperative farm in Pongsan County accelerating corn harvesting and threshing. The report says they are carrying out "corn harvesting amounting to over eight percent of the total rice field area daily." It also says full operation of threshing machines is being supplied to thresh corn at the appropriate time. The report concludes by saying that threshing of some 10 tonnes of corn is being carried out daily at the no. 2 work team.

Pyongyang Korean Central Broadcasting Network in Korean at 2100 GMT on 27 September carries a one-minute report on "agricultural workers of Changpung County in Kaesong harvesting some 300 chongbo of corn daily." The report says that in particular, agricultural workers of Kwangop farm overfulfilled the daily target by over 150 percent, and thus completed corn harvesting one week earlier than they did last year. It also says Taedoksan cooperative farmers are daily harvesting 10 percent of their overall corn harvesting target.

Pyongyang Korean Central Television Network in Korean at 1100 GMT on 28 September carries a one-minute report on "cooperative farms in Ongjin County all the more accelerating corn threshing and rice harvesting by highly upholding the party's policy that agriculture is best and carrying out farm work well according to the demand of the chuche farming method." The same television broadcast also carries another one-minute report on "Tojong cooperative farm in Yonan County concentrating all strength on rice harvesting, and thus achieving results." The report says the nos. 4 and 6 work teams are in the forefront of carrying out their work and that they are working under the goal of completing rice harvesting by 5 October.

Pyongyang Korean Central Broadcasting Network in Korean at 1200 GMT on 28 September carries a one-minute report on party members and agricultural workers in Kaechon continuing to accelerate rice harvesting after having successfully completed corn harvesting.

Pyongyang Korean Central Broadcasting Network in Korean at 2100 GMT on 28 September carries a two-minute news report on "cooperative farms in Songnim, North Hwanghae Province scoring gains in rice harvesting." The report says Soktan, Sosong, Simyang, and Masan cooperative farms that "completed corn harvesting first have already carried out over 20 percent of their rice harvesting targets." The same news program carries another brief news report on "Yongdang cooperative farm in Sinchon County accelerating corn threshing."

## South Korea

### U.S. Scholar Says North Accepts U.S. Presence

*SK2909133895 Seoul CHUNGANG ILBO in Korean 28 Sep 95 p 3*

["Exclusive interview" with Selig Harrison, senior researcher at the Carnegie Peace Foundation, by CHUNGANG ILBO reporters Kim Yong-hui, Kil Chong-u, and No Chae-hyon at the All-Nippon Airline Hotel in Tokyo on 27 September; first paragraph is CHUNGANG ILBO introduction]

[FBIS Translated Text] Selig Harrison, senior researcher at the Carnegie Peace Foundation and expert on North Korean affairs, on 27 September said North Korea is not opposed to the prolonged stationing of U.S. Forces in the ROK. North Korea has proposed that the DPRK and the United States reach an agreement on "a new peace regime" in order to maintain durable peace on the Korean Peninsula, and that North and South Korea should implement the commitment concerning activities of the North-South Joint Military Committee, and thus the regime and committee should be put into operation simultaneously. Harrison visited Pyongyang and stayed there for eight days from 26 September and arrived in Tokyo after the visit.

[Unidentified reporter] How long did you stay in North Korea?

[Harrison] I stayed there from 19 to 26 September.

[Unidentified reporter] Whom did you meet while you were there?

[Harrison] I met with Foreign Minister Kim Yong-nam for an hour and half; with First Vice Foreign Minister Kang Sok-chu for three hours including talks and dinner, and with Yi Hyong-chol, director in charge of U.S. affairs, for three hours. In particular, the meeting with Lieutenant General Yi Chan-pok, senior delegate of the North Korean People's Army to Panmunjom, was most significant. Our talks were held in the North Korean liaison office at Panmunjom for about four hours, including a luncheon.

[Unidentified reporter] What in their remarks was most worthy of our attemtion?

[Harrison] The North Korean leaders consented to the prolonged stationing of U.S. Forces in Korea, and called for the turning of the present armistice system into a "new peace mechanism." [preceding three words published in English] The new peace mechanism called for by North Korea is a formula of two stages being implemented simultaneously. First, a mutual security consultative committee between North Korea and the United States is to be formed and put into operation. At the point when this committee is in fact ready for operation, the North-South joint military committee as specified in the North-South agreement is to be put into operation.

The Call for Dissolution of the UN Command [subhead]

The North Korean leaders admitted the unrealistic nature [pihyonsilsong] of concluding a peace agreement between North Korea and the United States, and said that the peace agreement is not the precondition for normalizing North Korea-U.S. relations. However, they stressed that dissolution of the UN Command is inevitable for normalizing relations between the two countries.

Vice Foreign Minister Kang Sok-chu said: "It is now time for U.S. Forces in the ROK to take off their United

Nations hat for the sake of friendly relations between North Korea and the United States."

Lieutenant General Yi Chan-pok said: "North Korea has worked out a plan for a new peace system under a mutual agreement that U.S. Forces in Korea will remain for an indeterminate period of time [mugihan]. North Korea's policy is to make U.S. Forces in Korea withdraw ultimately. Nevertheless, North Korea is well aware that in view of the U.S. East Asian strategy, the troop withdrawal will not be realized within the conceivable time. This being the case, North Korea has worked out a plan for a new peace system. Since the Armistice Agreement defines hostile relations against North Korea, normalization of North Korea-U.S. relations will not be possible as long as the present armistice agreement is maintained."

[Unidentified reporter] Regarding this North Korean plan, do you think there were discussions between North Korea and the United States?

[Harrison] When a U.S. military helicopter entered North Korea in December last year, the United States agreed to open a channel for military contacts in the course of negotiating with North Korea over the helicopter incident. On 19 May, the United States sent a letter to the North Korean side proposing the holding of discussions between working-level military officials of the two sides. Relevant North Korean officials revealed that the United States also proposed the formation of a mutual security consultative committee [preceding four words published in English] to prepare for a general officer-level contact.

During the period of 19 May to 12 September, ten rounds of working-level talks between the two sides' field-grade officers took place. As a result, the two sides on 21 September tentatively agreed on general-level talks, and Major General (Nells Running), U.S. representative to the Military Armistice Commission, was designated the head of the U.S. side. Yi Chan-pok even showed me a tentative agreement that specified the names of both sides' delegates and the meeting procedure. However, the U.S. side failed to show up at the meeting place. Yi Chan-pok insisted that the ROK Government's obstructive maneuvers caused this, and was enraged by it.

[Unidentified reporter] Is there any correlation between "a new peace system" and inter-Korean dialogue?

[Harrison] Foreign Minister Kim Yong-nam said: "The North Korean authority is ready to operate the North-South joint committee at the earliest possible date only when a new peace system is set up and implemented between North Korea and the United States." Even though it is unlikely that the two systems will be operated simultaneously, the foreign minister and Yi Chan-pok made clear that the smooth operation of a new peace system will provide a chance for the North and South to resume military talks.

[Unidentified reporter] Can you explain more about North Korea's stance toward the presence of U.S. Forces in the ROK?

[Harrison] While having the talks with key figures, I had the impression that they think the presence of the U.S. Forces in the ROK will not impair the realization of inter-Korean relations based on North Korea's confederal system. It seems that North Korea's confederal system is a North Korean way of saving face for peaceful coexistence between the North and South, not for reunification.

I also gained the impression that the North Korean leadership had a realistic understanding that the U.S. Forces in the ROK are strategically necessary in its relations with neighboring countries, such as Japan, China, and Russia. However, they did not seem to have a clear plan on how to harmonize their former assertion calling for the withdrawal of U.S. Forces from the ROK and their new proposal on setting up a new peace system. However, one thing that is clear is that the North Korean leadership is pursuing a more realistic policy regarding the security issue.

First Vice Foreign Minister Kang Sok-chu made clear this issue by saying the following: "If the United States withdraws its forces from the ROK and supports North Korea's confederal system, the U.S. side's will for peace can be confirmed. Nonetheless, the United States has made it clear that it will continue to station its forces in the ROK even in the post-cold war era. Under such circumstances, the efforts to secure peace on the Korean Peninsula through the establishment of a new peace system between the United States and North Korea have become more desperate... The peace system will contribute to the deterrence of an armed threat from both sides of Korea."

[Unidentified reporter] What is the North Korean appraisal of implementation of the North Korean-U.S. Geneva agreed framework?

[Harrison] The North Korean figures tried to show that they are greatly disappointed at the lack of progress in implementation of the North Korean-U.S. agreed framework. North Korea is suspicious that the United States, in joint cooperation with the ROK, is attempting to bring about a change in and ultimately the collapse of the North Korean system. The North Korean figures stressed that the United States has many measures it can take on North Korea if it has the political will to do so.

Yi Hyong-chol, director of the U.S. Division, said he saw no signs of change in the U.S. policy toward the North, adding that he was doubtful whether the U.S. policy of hostility toward the North would change even if the nuclear issue is settled.

The North Korean leadership did not exhibit an extremely rigid attitude toward the South Korean figures' visit to the North in connection with the light-water reactor issue. They repeatedly stressed that the United States should take the responsibility for paying all the costs, including the additional expenses. I had the impression that North Korea was focused on the "money aspect of the issue."

I think the North Korean side assumed a somewhat flexible attitude at the recent Kuala Lumpur talks because the talks concentrated on expanding the scope of financial aid to the North.

As for the issue of establishing liaison offices, as you know, the two sides agreed at the talks held a few days ago to provisional protection of consular rights between the two countries. I do not know specifically when the liaison offices will be established. However, agreement has been reached in many areas, such as the site of the office. It is too early for me to estimate the timing for the establishment of offices toward the end of this year.

[Unidentified reporter] What is the North Korean internal situation like?

Many are curious to know why Kim Chong-il's official succession to power — to the posts of the North Korean presidency and party general secretary — has been delayed and when the power succession will occur. There is a rumor that Kim Chong-il is suffering from ill-health, such as a speech impediment.

[Harrison] The issue of Kim Chong-il's succession to power is still a mystery. During my visit to Pyongyang, I saw most Pyongyang residents busy with preparations for celebrations of the 50th anniversary of the party founding on 10 October. Although they were in ordinary clothes, I got the impression that they we]omewhat excited.

Many expect Kim Chong-il to assume the post of party gensecretary on 10 October, but no one told m ything during my stay in North Korea that would support this expectation. Nevertheless, no one doubts that Kim Chong-il holpower in practice, and North Korean citizens seemed uninterested in thng of his assumption of power. I had th e impressioxthat under this situation in North Korea, Kim Chong-il would be in to officially assume power.

I could not find any evidence that supports the rumors of Kim Chong-il's health problems.

In conclusion, I had the impression that North Korea is politically stable. However, its economic problems are serious. Officials in the North Korean leadership acknowledged that economic difficulties will worsen in November and December when the weather becomes cold. Regarding North Korea's food problems, Vice Minister Kang Sok-chu said: "North Korea has made no official request for food aid from the United States. However, U.S. food assistance to North Korea, which is in a difficult situation, will play an important role in establishing diplomatic relations between the two countries."

[Unidentified reporter] Even though Kim Chong-il is in power, I wonder if the unity of the North Korean leadership is the same as before. There are many uncertainties, such as the confrontation between hardliners and moderates, the military's support for Kim Chong-il's rule, etc.

[Harrison] I am sure Kim Chong-il does not win as great support from all walks of life as in the past. However, the military circles, government officials, and information organizations need the existence of Kim Chong-il, as much as Kim Chong-il himself does, because they want to maintain the legitimacy of the North Korean regime to keep enjoying their vested rights. Accordingly, in my opinion, conflicts within the power structure are not serious enough to threaten the existence of the power structure. Of course, it seems that conflicts exist between government offices, especially among external economic policy makers, but I think those conflicts are strategic-level ones and are not disclosed to the outside. While mentioning the confrontation between hard-liners and moderates inside the North Korean leadership, Vice Minister Kang Sok-chu said that since the military circles and nuclear industry- related figures of North Korea have strong doubts about the U.S. provision of light-water reactors to North Korea, the United States should dissolve North Korea's complaints by accepting its demands.

[Unidentified reporter] Some people suppose North Korea is adjusting the speed of improving its relations with the United States.

[Harrison] It is an oversensitive assumption that North Korea is intentionally trying to slow down improvements in its relations with the United States. North Korea has repeatedly stressed that the current Armistice Agreement is a stumbling block to the establishment of diplomatic relations between North Korea and the United States.

### Auto Industry 'May' Face More U.S. Pressure

*SK0210081695 Seoul YONHAP in English*
*0807 GMT 2 Oct 95*

[FBIS Transcribed Text] Seoul, Oct. 2 (YONHAP) — South Korea may still face additional trade pressure from the United States for wider access for its foreign cars in the Korean market despite the fact that the two countries produced an agreement further opening the auto market here over the past weekend, a senior Foreign Ministry official said Monday.

"The United States designated South Korea's automobile market as an area of concern, implying that it will continue to demand a further opening of South Korea's car market," said Chang Ki-ho, director-general of the Foreign Ministry's International Trade Bureau.

Chang, however, said that one of the fruits of the South Korean negotiating team's labors in Washington was the fact that the U.S. Government did not designate South Korea as a priority first country (PFC) which would make South Korea very susceptible to trade retaliation by the United States.

He said that South Korea will have to soon begin negotiating with the European union (EU) as the EU will expect the same treatment that South Korea is extending to the United States regarding the opening of the country's domestic car market.

Chang denied reports that the Foreign Ministry sought a rupture of the auto talks with the United States at one point of the discussions, possibly due to a keen rivalry with the Ministry of International Trade, Industry and Energy, which assumed the post of chief delegate to the South Korean team attending the auto talks.

"On Sept. 28, the Foreign Ministry actually asked the delegation to the auto talks to suspend the ongoing negotiations, but not to break the deal but to pursue national interests," he said. "We asked for the suspension because we thought the draft proposal submitted by the United States contained clauses which South Korea could not accept, although the delegates from the International Trade, Industry and Energy Ministry failed to recognize them."

Chang insisted that the draft agreement proposed by the U.S. delegation had clauses which severely restricted the South Korean Government's policies on the domestic auto market.

According to him, the draft demanded that the South Korean Government make efforts to change the unfavorable impression Korean consumers have of foreign cars and to match South Korea's domestic tariff system to major car-exporting countries.

"After suspending the auto talks in Washington, we urgently arranged meetings with relevant government ministries to produce our final proposals to the talks and the result was that much of our proposals was reflected in the final agreement," he maintained.

Chang, however, said that the Foreign Ministry obtained the contents of a U.S. draft proposal from a Foreign Ministry official, who was a member of the South Korean delegation, through an unofficial channel, expressing regret that the delegation failed to cable the draft to the Foreign Ministry officially.

Denying reports that the Foreign Ministry had wanted the talks to break down, Chang said that his ministry did its utmost to reach an agreement at the meetings.

He, however, reiterated the Foreign Ministry's position that "We will firmly deal with the United States if the U.S. side continues to make excessive demands beyond the scope of international practices."

One of South Korea's options is to bring the case to the world trade organization (WTO) for multilateral settlement, he added.

### U.S. Finds Site for Liaison Office in North

*SK3009011595 Seoul YONHAP in English*
*0057 GMT 30 Sep 95*

[FBIS Transcribed Text] Washington, Sept. 29 (YONHAP) — The U.S. liaison office will be established at the diplomatic complex in Pyongyang where the Swedish Embassy and German Interest Section are located, the State Department announced Friday.

The announcement followed a five-day expert talks between the United States and North Korea which opened in the North Korean capital Sept. 25 to discuss the opening of liaison offices between the two countries.

In a joint statement, the U.S. State Department said that the American experts surveyed the diplomatic complex and agreed it was a suitable location for their liaison office there.

The announcement further said both delegations agreed to continue consultations on pending issues for the opening of liaison offices.

Headed by Jeffrey Goldstein, the State Department's North Korea desk officer, the U.S. delegation is known to have comprehensively discussed issues related to the location, security and communications of its future liaison office during its stay in Pyongyang.

Diplomatic sources here said, however, that the mutual establishment of liaison offices will take more time as the communist country has not yet located a site for its office in Washington and because several other technical matters are still unresolved between Washington and Pyongyang.

### Minister on Importance of U.S. Foreign Policy

*SK0110041595 Seoul THE KOREA HERALD in English 1 Oct 95 p 2*

[Report by KOREA HERALD correspondent Kim Kyong-ho]

[FBIS Transcribed Text] NEW YORK — Foreign Minister Kong No- myong Friday warned against any U.S. policies overlooking international concerns out of preoccupation with its domestic problems.

"Just imagine, for example, how much the political and financial costs would be for the United States if the regional stability in Northeast Asia were to collapse due to an arms race between Japan and China that could be ignited by the withdrawal of the American presence," he said.

Kong made the remarks in his speech at the Asia Society, a nonprofit U.S. institution aimed at enhancing Americans' understanding of Asia and exchanges between Americans and the peoples of Asia and the Pacific.

In this era of ever-increasing interdependence, Kong said, no nation can truly stand alone.

"Short-sightedness in calculating and conceptualizing national interest can be fatal in the long run," Kong said. "Turning our backs on the world is no solution."

He said South Korea and the United States will share more tasks requiring cooperation between them in the era of growing interdependence following the end of the Cold War.

America, as the only remaining superpower, needs the hand of South Korea on various multilateral issues, while South Korea should cooperate with the United States to ensure its security and economic dynamism, Kong said.

"The dawning of the 21st century will surely bring about more issues and areas in which a genuine partnership between Korea and the United States will be required," he said.

Kong pointed out the need for closer policy consultation on security issues involving both countries, including the revision of an agreement on legal jurisdiction over U.S. troops stationed in South Korea.

The minister emphasized, however, the "evolutionary process" should not be allowed to jeopardize their security alliance.

Touching on trade disputes between the two countries, Kong said both sides should continue talks based on the spirit of understanding and compromise.

"Indeed the interdependence in the Korea-U.S. relationship has reached such a level that any type of retaliatory measure would clearly be detrimental to both parties," he said.

At the global level, South Korea and the United States, which both believe in a liberal democracy and a market economy, should cooperate with each other to build peace and prosperity in the world, Kong said.

"I am confident that this type of bilateral cooperation at the global level will be mutually beneficial and will increase as emerging global issues become more and more acute," he said.

He said the sphere of cooperation between the two countries will be further expanded after South Korea's entry into the U.N. Security Council as a non-permanent.

Kong, who arrived here a week ago for a 12-day visit to attend the U.N. General Assembly session, met with the secretary general of the world body, Butrus Butrus-Ghali, later in the day.

Butrus-Ghali, who had to put off a trip to Seoul in September because of an illness, said he plans to visit Seoul early next year.

Kong said Seoul is ready for more active participation in U.N. activities, including peacekeeping operations.

### North Official on Kim Chong-il Succession

*SK0210112195 Seoul YONHAP in English 1041 GMT 2 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 2 (YONHAP) — North Korea's Kim Chong-il has in effect been ruling the country and therefore his failure to rise to full power cannot mean anything politically peculiar in North Korea, a visiting senior North Korean official reportedly said in Bangkok Monday.

In a dispatch from Bangkok, KYODO News Service of Japan said Kim Chong-u, chairman of the North Korea External Economic Cooperation Commission, said he does not know when Kim Chong-il would decide to assume the duty of general-secretary of the Workers' (Communist) Party.

The report said Kim did not thus agree with the earlier press reports that Kim Chong-il would rise to full power on Oct. 10, Workers' Party anniversary day.

"Since the General (Kim Chong-il) has been ruling the military as well as the state and the party for long, (his failure to assume the duty of party general-secretary) does not have any impact on the political situation," Kim Chong-u was quoted as saying in an interview with KYODO.

Noting that there should always be nomination by the Supreme People's Assembly of a state president, Kim Chong-u stated that the time of a Supreme People's Assembly session for the nomination of Kim Chong-il, too, would depend on Kim Chong-il's decision.

Turning to economic issues, Kim Chong-u said his country plans to introduce a stock system and set up a stock exchange at the Najin- Sonbong special economic zone with a view to developing the zone as a monetary center as well as manufacturing and trading areas.

He said that the idea of developing the Najin-Sonbong Zone into a monetary center was modeled after Singapore, reasoning that the zone has as nice harbor as Singapore and its acreage, too, is comparable with that of Singapore.

"With the development of the special area as a momentum, we plan to transform our economy into an export-oriented one," Kim said.

Presently about 20 industries have signed contracts for business in the special zone and seven firms of Japan, South Korea, Britain and China have invested about 20 million dollars there, Kim said.

Besides, he said, a European bank and a Hong Kong securities firm have opened branches in the special economic zone.

### Daily Analyzes Delay in Power Succession

*SK0210101295 Seoul SEOUL SINMUN in Korean 2 Oct 95 p 3*

[Article by reporter Pak Chae-pom]

[FBIS Translated Text] After examining North Korea's domestic situation on the whole, the government officials involved in North Korean affairs have recently concluded that Kim Chong-il will not succeed to power at the 10 October commemorative ceremony marking the 50th anniversary of the party founding.

According to the officials on 1 October, if Kim Chong-il is to assume the state presidency, there are some procedures he has to go through.

He must present a new policy direction to lead North Korea after the death of Kim Il-song, and to do this, a party congress must be held; so, it is a prerequisite to elect the members of the party Central Committee which is North Korea's core of power.

However, according to Article 21 of North Korea's party regulation, an official announcement must be made three months prior to holding the party congress. In the case of the sixth party congress held in 10 October 1980 to elect Kim Il-song as state president again, the time required was at least six months. It is expected that it will take about the same time to hold the seventh party congress where Kim Chong-il will be elected as state president.

Therefore, if Kim Chong-il is to "ascend the throne" on 10 October, there should have been some kind of moves before July. However, the fact that there are no moves at all naturally signifies that there will be no internal change in North Korea.

Another prospect that Kim Chong-il's power succession will be delayed stems from the analysis that there is no reason for North Korea to hasten Kim Chong-il's power succession.

Kim Chong-il has already seized all power of the party, government, and military, and has been carrying out de facto rule. Kim Chong-il is ranked No. 1 in the Workers Party of Korea which is the core of North Korea's power, and is the only member of the Standing Committee of the Political Bureau, a decision-making organ. He is also ranked No. 1 in the Secretariat which is in charge of drawing up policies; No. 1 in the party Central Military Commission which is a military command organ; and is the chairman of the National Defense Commission directly in charge of the state security and defense department. Kim Chong-il has also seized control of the Ministry of People's Armed Forces in which Choe Kwang is acting on Kim's behalf. All of the positions which Kim Chong-il has seized were all occupied by Kim Il-song.

Therefore, the government officials view that Kim Chong-il is delaying his official ascension to power, pushing ahead with the work to build up the charisma which he needs when he officially comes to power.

An important reason for this view is that rumors about Kim Chong- il's poor health and his inclination to avoid the public is groundless.

As has been reported, Kim Chong-il inspected the frontline guard post of the Korean People's Army 31st Division, riding in a jeep for a long time on 13 September. Looking at the guard post of our Army, he demonstrated his physical health.

In particular, it was recently confirmed that he newly established a Secretary Department [pisobu] consisted of

30-40 people in which they are promoting the work to strengthen Kim Chong- il's charisma by holding a loyalty signature campaign among the party, government, and military.

Relevant government officials believe that the analysis that North Korea's economic difficulties is an obstacle to Kim Chong-il's power succession has little persuasiveness.

Currently, North Korea's national income per person is $932, but there are many countries in the world that are considerably lower than this. Therefore, it is not appropriate to predict any tilt in Kim Chong-il's position in connection with the economic deterioration.

In short, the tentative conclusion government officials have made is that Kim Chong-il's inauguration as president is of little significance within North Korea and that Kim Chong-il is delaying his official power succession to build up his charisma.

### North Vice Premier Reportedly 'Seriously Ill'

*SK0210083995 Seoul YONHAP in English 0810 GMT 2 Oct 95*

[FBIS Transcribed Text] Seoul, Oct. 2 (YONHAP) — North Korean Vice Premier and Foreign Minister Kim Yong-nam is seriously ill with diabetes, a diplomatic source here said Monday.

Kim Yong-nam's health problems appear to be the cause of his recent absence from the UN General Assembly, the source reported.

"In view of various situations, it seems unlikely that North Korean de facto leader Kim Chong-il's official power succession would take place during the 50th anniversary celebration of the founding of the North Korean Workers' (Communist) Party on Oct. 10," he predicted.

He also remarked that "at present, it is also unclear whether the vice premier will be able to attend as scheduled a non-aligned summit conference in Colombia on Oct. 19."

### North Military Reportedly Complains About Delay

*SK0110134695 Seoul KBS-1 Radio Network in Korean 1300 GMT 1 Oct 95*

[YONHAP, Tokyo]

[FBIS Translated Text] Selig Harrison, senior researcher at the U.S. Carnegie Endowment for Peace, interviewed by ASAHI SHIMBUN, said that the North Korean military has complained strongly that the agreement on the provision of light-water reactors [LWRs] has not been signed in six months as agreed upon between the United States and North Korea in Geneva in October 1994.

Harrison, who has recently been to Pyongyang, was interviewed by ASAHI SHIMBUN in Tokyo and said that he held talks with North Korean Foreign Minister Kim Yong-nam and Vice Foreign Minister Kang Sok-chu and that Vice Foreign Minister Kang doubted the sincerity of the United States.

Harrison said that North Korea, however, showed a flexible attitude to the entry into North Korea of ROK technicians for construction of the nuclear power plant.

### North Official Comments on Light-Water Reactors

*SK0210042995 Seoul SEOUL SINMUN in Korean 2 Oct 95 p 1*

[Report by correspondent Yi Kon-yong from New York]

[FBIS Translated Text] It was learned that North Korea is once again using its previous pressure strategy regarding the nuclear issue by threatening that if there is no progress in the light-water reactor supply agreement, North Korea will resume nuclear development.

At the second round of expert-level talks on concluding the light-water reactor supply agreement between the Korean Peninsula Energy Development Organization [KEDO] and North Korea on 30 September (local time) at New York's Algonquian Hotel, Yi Yong-ho, deputy director general of the DPRK Foreign Ministry, emphasized: "There must be visible results in supplying the light-water reactor at a time when one year has passed since the nuclear agreement was concluded. The supply agreement must be concluded before 21 October, which marks the first anniversary of the Geneva nuclear agreement."

Such a remark by the North side's delegate is attracting attention because it is similar to the claim by the North Korean Foreign Ministry spokesman in an interview with the KOREAN CENTRAL NEWS AGENCY, who said that if the New York light-water expert-level talks make little progress, North Korea will directly resolve the light-water reactor issue with the United States.

In this connection, the 1 October edition of THE NEW YORK TIMES reported: "At the New York light-water reactor expert-level talks, in addition to the $4 billion worth second light-water reactors, North Korea requested that the KEDO supply the North with subsidiary facilities such as roads, housing, and power transmission and distribution equipment worth $500 million. North Korea is also threatening that if there is no progress in the talks for the modernization of nuclear atomic reactors, it will resume the nuclear development program." THE NEW YORK TIMES added that this is a clear attempt by North Korea to put pressure on the United States and other KEDO member countries.

### Minister Says North Continues Arms Buildup

*SK0110012395 Seoul KBS-1 Radio Network in Korean 0031 GMT 1 Oct 95*

[FBIS Translated Text] It has been learned that North Korea is strengthening its military training despite the serious economic difficulties and flood damage it has been suffering.

Defense Minister Yi Yang-ho appeared on the KBS-1 Television program "Policy Review" and stated: North Korea has been increasing overall military training since Kim Il-song's death. In particular, North Korea has continuously conducted attack training in areas geologically similar to the ROK land.

Minister Yi also said: North Korea is constantly engaged in arms buildup in spite of economic difficulties. It has secured enough military supplies for three to four months and is operating a 100,000-troop special combat unit.

### No Progress Made at Inter-Korean Talks

*SK3009011695 Seoul YONHAP in English 0053 GMT 30 Sep 95*

[FBIS Transcribed Text] Beijing, Sept. 29 (YONHAP) — South and North Korea failed to make any progress Friday at the third round of the their official talks in Beijing due to sharp differences on several pending issues.

The South Korean delegation headed by Vice Finance and Economy Miniser Yi Sok-chae and its North Korean counterpart led by Chon Kum-chol, advisor to the external economic cooperation promotion committee, met at the China World Hotel for about three hours from 10:30 AM Friday to resume discussions on such pending issues as repatriation of the crew of the "Usong 86," a trawler seized by North Korean patrol boats earlier this year, additional rice aid to the North, relief assistance for North Korean flood victims and expanded inter-Korean economic cooperation. However, they failed to narrow their differences on these issues.

They discussed in another session whether or not to meet for a fourth day of talks Saturday. However, even if they do meet again Saturday, it appears unlikely they will reach an accord unless their respective stances change.

South Korean reportedly demanded at Friday's meeting that the North guarantee the repatriation of the Usong 86's crew in a concrete and clearcut manner and that they formally and directly request assistance for their flood victims through official channels.

But the North Koreans insisted on disposing of the repatriation issue in accordance with their law, indicating the crew will be released shortly in the form of an expulsion, a source involved in the talks said.

As to aid for flood victims, North Korea repeated its earlier assertion that their request for assistance conveyed to the United Nations constitutes a formal request, according to the source.

Spokesman for the South Korean delegation Ku Pontae, chief policymaker of the National Unification Ministry, told reporters Friday afternoon, "because the North one-sidedly demanded additional rice aid and relief assistance to overcome their flood damage, while evading concrete guarantees to our proposals, no conclusion has been reached."

### Talks End Without Agreement

*SK3009110895 Seoul YONHAP in English 1039 GMT 30 Sep 95*

[FBIS Transcribed Text] Beijing, Sept.30 (YONHAP) — Officials of South and North Korea Saturday concluded their fourth day of talks on the provision of rice aid to North Korea without reaching an agreement, a spokesman for the South Korean delegation to the talks said.

"The two sides met between 10 am and 2:30 p.m.," the spokesman said. "They concluded official talks without producing agreements on issues raised by each side."

The spokesman, however, said that the sides agreed to continue to have unofficial talks to narrow differences over issues in question, hinting that officials of South and North Korea are making last- minute efforts to produce an agreement.

A source close to the talks said that "the two sides narrowed differences, to a great extent, on the immediate release of fishermen of South Korean trawler Usong No. 86, kidnapped by the North, and South Korea's aid to help the North recover from the recent floods."

They, however, failed to reach an agreement because the South Korean side demanded that the North make clear and concrete promise on the issues while the North Korean side insisted on making only verbal promises as it did before, the source said.

The North Korean side stuck to its position that the case of the Usong 86 fishermen will be treated in accordance with the domestic law of North Korea, hinting that they will be released in the form of deportation, he said.

The South Korean side, however, insisted that the North officially express its willingness to release the fishermen, reminding that the North failed to live up to its words when it did not release the fishermen despite the fact that the North made verbal promise to do so in the second round of rice talks last July.

South Korea demanded that the North make an official request for assistance for the recent flood damage while the North Korean delegation insisted that it was empowered by relevant North Korean authorities to make the request for aid, the source said.

### North-South Talks in Third Countries Opposed

*SK3009231695 Seoul KBS-1 Radio Network in Korean 2200 GMT 30 Sep 95*

[FBIS Translated Text] The ROK Government has informed North Korea that talks for North-South reconciliation and cooperation must be held in Seoul, Pyongyang, Panmunjom, or any other place on the Korean peninsula and that the government would not attend North- South talks held in a third country.

Vice Finance and Economy Minister Yi Sok-chae, who attended the third round of talks between North and South Korean authorities as senior member of our side's delegation, told reporters last night that our side asked the North Korean side to ensure that the next talks for North-South reconciliation and cooperation be held on the Korean peninsula and that the qualification of each side's delegates to normalize North-South dialogue be clarified.

Vice Minister Yi also said: The North Korean side expressed its strong hope to obtain additional rice assistance. However, our side made it clear that the place of the talks and their nature must be changed.

He also said that at the talks our side strongly asked the North Korean side to repatriate the Usong boat and Reverend An Sung-un and stop slandering us.

### Further Decisions 'Difficult'

*SK0110020495 Seoul YONHAP in English 0138 GMT 1 Oct 95*

[FBIS Transcribed Text] Beijing, Oct. 1 (YONHAP) — South Korea has informed the North of its position that it won't respond in the future to any North Korean requests for holding inter-Korean talks outside the Korean peninsula.

Yi Sok-chae, vice finance and economy minister, who led the South Korean delegation to the unsuccessful third round of the inter-Korean rice talks here, told reporters Saturday evening, "In the talks just ended, we emphasized the need to hold the next inter-Korean cooperation and aid talks in the Korean peninsula. We also demanded that Seoul-Pyongyang dialogue be normalized by appointing definitive government officials as chief delegates."

Noting that the North wanted additional rice aid most in the talks, Yi said, "But we made it clear to the North Koreans that no accord on additional rice aid can be reached in a meeting held in a third country, and accordingly that the venue and character of the talks should be changed."

This stand of South Korea, that calls for having future talks in Seoul, Pyongyang or the truce village of Panmunjom, indicates that no inter-Korean dialogue will be conducted in the foreseeable future unless the North accepts it.

In response to the South Korean proposal that inter-Korean talks be held in the Korean peninsula, the North Korean delegation said it is not only difficult to make a decision on moving the venue of the talks to the Korean peninsula, but also it is not authorized to make a decision on the matter, according to Yi.

### Fourth Round of Rice Talks To Be Held

*SK0110083695 Seoul YONHAP in English 0817 GMT 1 Oct 95*

[FBIS Transcribed Text] Seoul, Oct. 1 (YONHAP) — South and North Korea have agreed to hold the fourth round of rice talks at a venue and time to be negotiated, Vice Finance and Economy Minister Yi Sok-chae, who led the South Korean delegation to the third round of the talks in Beijing, said Sunday.

Upon arrival at Kimpo Airport from Beijing Sunday afternoon, Yi told reporters, "Although no accord was reached on the venue and time of the next round of the official inter-Korean talks, we made it clear to the North Koreans that the venue should be in the Korean Peninsula, and the North Korean delegation promised to study the proposal."

Regarding the prospects for the fourth round of the rice talks, Yi said, "if the North decides on the venue and informs us of it, we will discuss about when to hold the forthcoming round of meetings. As the North Koreans have promised to study the proposal, we must wait and see."

He said that the North presented a specific amount of flood damage relief aid it wants to receive from the South at the third round of the talks, but declined to disclose the sum.

### Delegate Interviewed on Rice Aid Talks

*SK0110081695 Seoul CHOSON ILBO in Korean 1 Oct 95 p 2*

[Interview with Yi Sok-chae, ROK vice minister of finance and economy and senior ROK delegate to the third round of talks between the North and South Korean authorities, by unidentified reporters in Beijing on 30 September]

[FBIS Translated Text] [Reporter] Have the recent inter-Korean talks broken down?

[Yi] I hope for North Korea's positive response. Dialogue will continue when the sides meet again. I do not want to conclude that the talks have broken down.

[Reporter] Was the issue of Rev. An Sung-un discussed in the talks?

[Yi] Of course it was. However, the North Korean side repeated its unchanged position.

[Reporter] How was the issue of North Korea's official request for ROK relief aid for flood damage mentioned?

[Yi] The North Korean delegates alleged that the North Korean "Flood Damage Restoration Committee" entrusted them with the matter.

[Reporter] It seems that the main topics of the talks were the holding of inter-Korean talks at a place on the Korean Peninsula and the qualification of delegates to the inter-Korean talks.

[Yi] Our side demanded that talks for South-North cooperation, as well as our assistance to North Korea, be held on the Korean Peninsula and that the qualifications of delegates to such talks be clarified.

[Reporter] What is North Korea's pretext for the delay in repatriation of the Usong-ho crewmen?

[Yi] The North Korean delegates stated that, though North Korea did its best, there was not very good progress as expected in resolving the issue because it is necessary to go through legal procedures. The North Korean delegates also stressed their efforts concentrated on this issue, saying they made so many visits to the Usong-ho crewmen that the crewmen can recognize them.

[Reporter] Was the issue of economic cooperation between South and North Korea discussed during the talks?

[Yi] Of course it was. The North Korean side wanted to know our side's position on the issue and hold discussions on it. Our side, however, made it clear that we will make no agreement or decision in any kind of future talks in a third country on assistance and cooperation between South and North Korea, and stressed the need to hold South-North meetings inside a normal orbit.

[Reporter] What matters were put on the order of the day?

[Yi] The first round of talks focused on the rice issue. The second round of talks handled issues concerning cooperation for resolving the rice issue and economic cooperation between South and North Korea, as well as ways to increase the capacity of agricultural production. During the third round of talks, the sides had intensive discussions on the provision of rice, in which North Korea has great interest.

[Reporter] Today's talks were lengthy, and you waited to brief reporters on the talks as many as eight hours after the talks ended. Was there any particular reason for this?

[Yi] In fact, the talks between the delegations have ended, but the issues have not yet been settled. The talks were prolonged because we thought we had to do our best to bring matters to a successful conclusion. Please understand us. It is highly likely that, because there was no result from the second and third rounds of talks, and because it has been saddled only with a political burden concerning the venue for the talks, North Korea will shift responsibility for the issue of the forced hoisting of the North Korean flag by an ROK freighter, the issue of Rev. An, and the issue of the Usong-ho crewmen — all of which emerged after an agreement was reached between South and North Korea on the provision of rice to North Korea — onto our side's shoulders. The North Korean side said it will manifest its position and insistence to foreign media and ROK reporters tomorrow. I hope for North Korea's cooperation.

### Provision of Rice to North To Conclude

*SK0110052395 Seoul CHUNGANG ILBO in Korean 1 Oct 95 p 2*

[FBIS Translated Text] The provision of 150,000 tonnes of rice, which has opened a new chapter in North-South relations, will be completed on 7 October. A National Unification Ministry official said on 30 September: "The Korex [name as transliterated] Pusan boat carrying 2,500 tonnes of rice will depart for North Korea on 7 October, concluding the rice provision to North Korea."

### Foreign Minister Meets Butrus Butrus-Ghali

*SK3009044395 Seoul YONHAP in English
0407 GMT 30 Sep 95*

[FBIS Transcribed Text] New York, Sept. 29 (YONHAP) — South Korean Foreign Minister Kong No-myong met with UN Secretary-General Butrus Butrus-Ghali to discuss South Korean non-permanent membership in the UN Security Council and other issues of common interest during a meeting here Friday.

Butrus-Ghali expressed his hope that South Korea will play a role befitting its national power in the United Nations as it will likely be elected to the Security Council during the current session of the world body.

Kong told the ranking UN official that South Korea has a keen interest in the Security Council's reorganization and other UN issues, Kong's spokesman So Tae-won disclosed.

As for Seoul's increased role in the world, Kong said his country will increase economic aid to African countries.

Kong asked Butrus-Ghali to realize as soon as possible his plan to visit Seoul, which he first set for early September but later cancelled for health reasons, and Butrus-Ghali replied that he is planning a visit for early next year.

Before his meeting with the UN secretary-general, Kong said South Korea and the United States should cooperate closely in the defense and security fields, not only to check North Korea's military adventurism but also to press for the reform and openness of the reclusive communist country, in a speech to the Asiatic society.

Kong also met with his Thai counterpart who is attending the United Nations 50th anniversary session and discussed Thai support to the Korean Peninsula Energy Development Organization (KEDO), the Asia-Europe summit meeting slated for next March in Bangkok, concluding a Korea-Thailand extradition pact and other matters of common interest.

### Protestants Plan Drive for North Flood Relief

*SK2909121995 Seoul YONHAP in English
1116 GMT 29 Sep 95*

[FBIS Transcribed Text] Seoul, Sept. 29 (YONHAP) — Korean protestant churches plan to launch an extensive drive to raise relief goods for the flood victims of North Korea.

A source at the Korean National Council of Churches (KNCC) said Friday the "Korean Church Campaign Headquarters for Assistance in the Rehabilitation of Floods in North Korea" will sponsor the movement from Oct. 7 through the end of the year.

The campaign headquarters comprises five Protestant organizations: KNCC, Camapign Headquarters for Sharing Between the South and the North, Organization for Hunger, Korean Christian Social Service and Korea Society for Love for Neighbors.

The source said that the campaign headquarters aims to collect about 1 million dollars worth of relief goods like stationery goods, cement, foods, children's underwears and blankets for delivery to North Korea.

In addition, all churches will collect special cash contributions during the Thanksgiving and Christmas days, he said.

The drive will formally begin in a ceremony marking the "declaration of a Korean church campaign for assistance for North Korean floods" set to be held at the Yoido Plaza on Oct. 7.

### President Kim Yong-sam Briefed on Relief Aid

*SK3009042995 Seoul YONHAP in English
0400 GMT 30 Sep 95*

[FBIS Transcribed Text] Seoul, Sept. 30 (YONHAP) — North Korea asked the international community for relief assistance in a bid to restore the damage it sustained from summer flooding, but the actual supports it has received is not enough, a presidential secretary said Saturday.

Yu Chong-ha, senior secretary for Foreign Affairs and National Security, briefed President Kim Yong-sam on the situation regarding international support for North Korea at a senior secretaries meeting with the president.

"Although North Korea has asked the international community for its supports to restore the flood damage, it only collected 13 million U.S. dollars, mostly from non-governmental organizations," Yu pointed out.

He added that the supports from foreign governments were few and small.

Meanwhile, South Korea has made it clear that it is willing to provide 2 million U.S. dollars to North Korea if it makes a formal request for assistance.

### DPRK, Japan Begin Talks on Rice Aid

*SK3009073295 Seoul YONHAP in English
0715 GMT 30 Sep 95*

[FBIS Transcribed Text] Beijing, Sept.30 (YONHAP) — Officials of North Korea and Japan met here Saturday to discuss how to provide North Korea with 200,000 tons of rice which the Japanese Government already promised, a Japanese official close to the rice talks said.

The Japanese Government promised to provide 500,000 tons of rice to North Korea to help the North recover from severe food shortages caused by bad crops and recent floods and already delivered 300,000 tons of rice to the North.

During the talks to be continued until Sunday at the Japanese and North Korean embassies in Beijing alternately, the two sides will sign a contract on specific ways to deliver the remaining 200,000 tons of rice to North Korea, according to the official.

"The Japanese side will decide on whether to provide additional rice to the North in consideration of the ongoing rice talks between South and North Korea, although Japan is not in a position to provide the North with additional rice aid with Japan currently having only 320,000 tons of surplus rice," the official said.

"The Japanese side also wants to discuss the issue of normalizing relations between Japan and North Korea during the two-day rice talks," he said. "It, however, will be difficult for the talks to touch on the normalization issue because the North Korean side continues to insist on restricting the talks only to rice."

### Disappointment Expressed on French Nuclear Test

*SK0210061395 Seoul YONHAP in English*
*0559 GMT 2 Oct 95*

[FBIS Transcribed Text] Seoul, Oct. 2 (YONHAP) — South Korea has expressed its disappointment with France's latest nuclear test.

A Foreign Ministry statement released hours after the test was conducted in the South Pacific on Monday said, "Taking into account the enhanced explosive yield of the second test, we are very disappointed that France has intensified the magnitude of its nuclear explosions."

"We urge France to positively respond to the demands of the international community and bring an immediate end to all nuclear testing in order not to obstruct global and regional non-proliferation efforts, especially at a time when the negotiations for an early conclusion of the comprehensive test ban treaty are in progress," the statement read.

France broke a three-year testing moratorium with a nuclear blast at the Mururoa Atoll on Sept. 6.

### Kim Yong-sam, Carlos Menem Vow To Expand Ties

*SK2909143595 Seoul YONHAP in English*
*0812 GMT 29 Sep 95*

[FBIS Transcribed Text] Seoul, Sept. 29 (YONHAP) — South Korea and Argentina agreed to expand their bilateral economic relations in a summit meeting between presidents Kim Yong-sam and Carlos Menem held at Chongwadae Friday afternoon.

President Kim expressed his hope that Argentina, which plays a leading role in the South American common market with its enormous growth potential, will lay a bridge between that market and South Korea by increasing their economic relations.

He also stressed the need for the two countries to increase their bilateral trade and investments on a reciprocal basis, conclude an aviation agreement as soon as possible and asked for the Argentine Government's support for South Korean fishing fleets operating in seas off Argentina.

President Menem explained to Kim his plans to increase economic and trade relations with South Korea and expressed his hope that Korean businesses will increase investment in his country's economic development programs.

President Kim explained South Korea's efforts to host the 2002 World Cup soccer finals and asked for positive support of Argentina which occupies a vice presidential post in the Federation of International Football Associations (FIFA).

For his part, President Menem promised Kim that his country would render whatever support available.

The leaders agreed to make common efforts in international organizations such as the United Nations to ensure world peace and development of the international community as well as to cooperate with each other for the solution of the North Korean nuclear issue.

President Kim requested Argentina's active participation in the Korean Peninsula Energy Development Organization (KEDO) and President Menem replied that his country would positively consider participating, adding that Argentina will continue to render support for the complete solution of the North Korean nuclear issue through the implementation of the U.S.-North Korea framework agreement reached in Geneva last October.

When asked to visit Argentina, Kim replied he will consider making a trip at a mutually convenient time.

President Menem is the first head of state from the South American country to visit Seoul since diplomatic relations were established in 1962.

Menem is scheduled to hold a series of meetings with South Korean business leaders on Saturday to discuss investment increases in the South American state.

### Investors To Receive Favorable Treatment

*SK3009115795 Seoul YONHAP in English 0809 GMT 30 Sep 95*

[FBIS Transcribed Text] Seoul, Sept. 30 (YONHAP) — Argentine President Carlos Menem said Saturday that South Korean firms will be given de-facto national treatment in financing and taxation when they invest in Argentina.

Menem hoped that South Korean firms will invest more in Argentina, urging the South Korean Government [to] increase import of livestocks and fisheries products from Argentina.

The Argentine president was speaking to reporters at a press conference at Seoul's Hotel Hyatt.

He said that the biggest problem concerning the two countries is imbalance in trade.

He, however, said that the fact that he made a state visit to South Korea and had a summit meeting with President Kim Yong-sam means improved relations between the two countries.

On South Korea's efforts to host the 2002 World Cup soccer finals, he said that it will be meaningless for him to talk about the issue because the Argentine Soccer Association has the sole right to whether it will support South Korea or not.

He, however, added that there is a high chance that the Argentine Soccer Association will support South Korea because South Korea proceeded to the World Cup soccer finals three times in a row and the people of South Korea are enthusiastic about soccer.

### President Speaks at Armed Forces Day Ceremony

*SK0110041395 Seoul KBS-1 Television Network in Korean 0123 GMT 1 Oct 95*

[Speech by ROK President Kim Yong-sam at the Armed Forces Day ceremony held at Kyeryongdae in South Chungchong Province—live]

[FBIS Translated Text] Dear officers and men of the Armed Forces, distinguished guests from home and abroad, fellow countrymen:

Today we are celebrating the 47th Armed Forces Day with deep emotion and great pride. With all our people, I extend warm congratulations not only to you, who are attending this ceremony in high spirits, but to officers and men who are devoting themselves to defending our fatherland on the frontline and in the rear.

Looking back, our Armed Forces was born in 1948 as the nation's Armed Forces, inheriting the brilliant tradition of the Independence Army which resisted Japanese colonial rule until the last moment. For almost a half century since then, our Armed Forces have defeated numerous trials and successfully fulfilled their noble duty of defending the country and people in the midst of utmost North-South confrontation.

When North Korea launched an all-out war of southward aggression, our soldiers rescued the fatherland by risking their lives with a single desire to save the country. Our Armed Forces today have grown into a powerful mature Armed Forces that contributes to global peace as a UN peacekeeping force.

These achievements have been brought about by the noble sacrifices of the fallen patriots and the blood and sweat of the old-time officers and men. Many of them are present here. Veterans of the Korean war, members of the Veterans Association, members of the Disabled Veterans Association, those who received meritorious citations, and members of their families: Would you stand up for a moment? [applause]

On this felicitous day, on behalf of all people, I would like to say to you: The fatherland will always pay its respect to you, your comrades-in-arms, and members of their families for their blood, sweat, and tears, and history will remember you forever as genuine heroes. [applause] Let us again enthusiastically clap our hands for them. [applause]

Officers and men of the Armed Forces and fellow countrymen: We are opening a new half century based on the achievements we brought about for 50 years after the national liberation. It is time to bring an end to the history of division and open a new era of peaceful reunification. At this time, our Armed Forces' mission is to staunchly defend the peace on the Korean peninsula, which will serve as a basis for reunification.

The East-West Cold War, which dominated the postwar world, has disappeared. However, a final Cold War that may turn into a fierce war anytime is still going on the Korean peninsula.

North Korea has refused to seek change, a worldwide trend, and turned a blind eye to our government's sincere efforts. North Korea is now suffering from grain and energy shortages and other serious economic difficulties. North Korea will not be able to remove these difficulties anytime soon. And, no one is certain of its future.

Therefore, the next two to three years will be a very important turning point in terms of national security. Our Armed Forces must attentively watch all North Korean movements and get completely ready to quickly and efficiently respond to any contingency.

Officers and men of Armed Forces: Our Armed Forces must vigorously march forward, while looking forward to the 21st century and the era of reunification and riding the tide of global history.

In the current international situation, where the great tide of globalization prevails, ideology and system-oriented international relations have been impaired for a long time. A tough era, in which private interests of individual states take precedence over anything else, has come. Under this situation, the military is required to play its expanded role not only to maintain national security but to actively protect national interests.

Our country's Armed Forces should be top ranking in the world in order to fulfill its new duty required by the times. Globalization in our Armed Forces' will make them first-class elite troops in the world in every aspect. To this end, they should have the perfect military spirit. The indomitable will to protect the country at the risk of one's life, the lofty morale, and the firm discipline are essential in the military spirit.

In order to make the Armed Forces elite troops, it is also necessary to enhance the technical ability of each officer and man. The rapid development of science, technology, information, and communication should make modern war a war of science and information. Now, soldiers have to become first-class experts capable of handling not only updated weapons, but also updated information system without difficulty. I sincerely hope that our Armed Forces will jump to become first-class elite troops in the world equipped with technical abilities.

Officers and men of the ROK Armed Forces and fellow countrymen:

Our Armed Forces have performed enormous changes and reforms in all fields. Through the reform, our country's Armed Forces have newly been born as proud armed forces of the people that concentrate upon their original duty to protect the national territory.

At the same time, the government has made special efforts to enhance the honor and morale of the officers and men of the Armed Forces. In particular, the government will greatly increase the defense budget for 1996 to remarkably improve the morale and welfare of all the officers and men. [applause]

I will make further efforts to prepare conditions for our Armed Forces to fulfill their duties as the shield of the state and the people, with lofty morale.

Finally, I ask a favor of my fellow countrymen. The military is the last fortress of our country that death-defyingly protects the state, as well as the lives and property of the people when the country is faced with an emergency. If they want strong Armed Forces, all the people should respect and support the military so that officers and men of the Armed Forces can have a firm sense of mission and great pride. [applause]

This is the only way to truly love the country. I want the fellow countrymen to extent warm love and trust to our military, which has newly been born through reform.

Our people should also recognize more cool-headedly how weak is the security situation we live in. We should remember the saying that if you want peace, you should prepare against war. [applause]

When the people's perfect sense of security, the Armed Forces that have become elite troops, and the financial support for them are achieved perfectly at the same time, our security can become as firm as rock.

I sincerely wish that today becomes a historic day when our Armed Forces start a march to become the strongest armed forces in the world in the 21st century. [applause]

Along with all the fellow countrymen, I sincerely wish our Armed Forces eternal development and the officers and men good luck in war.

Thank you. [applause]

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### 'Tens of Thousands of Students' Protest

*SK2909121495 Seoul YONHAP in English*
*1145 GMT 29 Sep 95*

[FBIS Transcribed Tex] Seoul, Sept. 29 (YONHAP) — Tens of thousands [of] students hit the streets Friday in major cities across the country demanding a special law against those responsible for the ruthless suppression of the 1980 Kwangju uprising.

The demonstrations came as college students went on a two-day strike at most of the country's 129 four-year colleges and universities.

Up to 70 to 80 percent of students took part in the strike, Hanchongnyon or the Korea Federation of College Student Councils said.

This was the first countrywide student protest move since the inauguration of President Kim Yong-sam's civilian-led administration in early 1993.

"About 27,000 students attended rallies on the Kwangju incident at 64 campuses," the national police said.

In Seoul some 15,000 students from Seoul National University and 25 other schools staged violent demonstrations in the downtown area near Shinsegye Department Store beginning around 5 pm after holding rallies at their respective campuses.

The police deployed 134 police companies totaling 16,000 riot policemen, 116 companies in Seoul alone.

### More on Student Demonstrations

*SK3009030395 Seoul YONHAP in English 0253 GMT 30 Sep 95*

[FBIS Transcribed Text] Seoul, Sept. 30 (YONHAP) — Tension is mounting in major cities as a large number of university students began the second day of their two-day class boycott, demanding that legislators adopt a special law to get those responsible for the bloody suppression of the May 18 Kwangju uprising in 1980 prosecuted.

Dissident organizations are scheduled to continue their rallies and demonstrations Saturday afternoon in Seoul and 14 other cities across the nation.

Students from more than 120 colleges and universities affiliated with "Hanchongnyon," the Korea Federation of University Student Councils, boycotted classes and held rallies on their respective campuses and plan to attend national rallies in major cities later in the afternoon.

"The national rally for the legislation of special May 18 law" is slated to be held at Changchung Park in central Seoul at 2 PM Saturday under the auspices of the "Joint Conference of Civic Organizations for Legislation of a May 18 Special Law" and "The National Committee Probing the Truth of the May 18 Incident and the Succeeding to Kwangju Resistance Spirit," comprised of more than 20 dissident groups and civic organizations, including the National Union and the Citizens' Alliance for Economic Justice. The rally will be followed by demonstrations in downtown Seoul.

Some 30,000 students are expected to participate in the projected demonstrations in Seoul, giving rise to fears that clashes with police will be unavoidable.

In the meantime, police plan to block illegal demonstrations in the capital with 16,000 riot policemen, posting them around Changchung Park and the residences of former Presidents Chon Tu-hwan and No Tae-u in Yonhui-tong, western Seoul.

On Friday, the first day of the two-day protest, over 10,000 students from 26 universities staged large-scale demonstrations in downtown Seoul and clashed with riot police who fired tear gas to disperse the crowds, while student demonstrators hurled fire bombs and wielded steel pipes in the clashes.

Meanwhile, police took 32 student demonstrators into custody Friday evening, arresting two of them and referring the remainder to the summary court.

### Clashes 'Continued Sporadically'

*SK0110025495 Seoul THE KOREA HERALD in English 1 Oct 95 p 3*

[FBIS Transcribed Text] Mass rallies and demonstrations were held in Seoul and 12 other cities yesterday, amid rising calls for punishment of former Presidents Chon Tu-hwan and No Tae-u for their roles in a bloody crackdown on a civil uprising 15 years ago.

The demonstrations combined with a number of other events, including a soccer game showcasing Argentine soccer star Diego Maradona, caused traffic chaos in many parts of Seoul.

The traffic was blocked for hours in downtown Chongno and Sinchon as thousands of demonstrators occupied the streets.

Clashes between protesters and riot police continued sporadically in several parts of the city until late at night. But the demonstrations were less violent than on Friday, when an estimated 30,000 students staged a violent protest in 15 cities.

In a related move, thousands of college professors launched an organization designed to push for special laws for the prosecution of those responsible for the armed suppression of the May 1980 Kwangju civil uprising.

About 30,000 people attended the rallies held simultaneously from 2 p.m. in Seoul and 12 other cities. Many of the participants were students who boycotted class for the second consecutive day.

The Seoul gathering, held at Changchungdan Park, drew about 20,000 people. After the park rally, the participants marched along the Chongo streets up to Chongmyo Shrine near Chongno 2-ka.

In Sinchon, students of Yonsei and Korea universities demonstrated after a parade in commemoration of the annual good-will sports competition between the two schools.

Hanchongnyon, the nationwide association of student activists, threatened to take further steps unless its demands for special laws were met.

The organization orchestrated the two-day class-boycott, which started Friday. It claimed that students in more than 100 schools joined in the boycott.

Police were put on alert nationwide, and more than 16,000 riot police were mobilized to cope with the demonstrations.

The students called for the enactment of special laws, which would introduce a special prosecutor to indict those behind the brutal crackdown of the Kwangju uprising, in which about 200 people were killed.

The special laws would override the prosecution's decision in July not to prosecute the two ex-presidents and more than 50 others accused of having played a role in the crackdown.

### Radiation Leakage From Reactor Under Probe

*SK3009020395 Seoul YONHAP in English 0130 GMT 30 Sep 95*

[FBIS Transcribed Text] Seoul, Sept. 30 (YONHAP) — The Science and Technology Ministry has begun to investigate radiation leaks in reactor No. 4 during tests at the Yonggwang nuclear power plant.

The new reactor was charged with fuel rods on June 3 for a test run and it began to leak radioactive iodine on July 18, increasing the radiation density in the cooling water to as many as 500 times the allowable level, ministry officials said Friday.

The test run was completed on Sept. 23 and the ministry instructed the Korea Nuclear Safety Technology Institute and Korea Electric Power Corp. to investigate the radiation leakage.

Because radiation-contaminated cooling water circulates inside the reactor only, no radiation has leaked outside the reactor, nor has there been any radiation exposures to workers there, the officials explained.

The permissible density of radioactive iodine 131 in reactor cooling water is 0.00017 microcurie per cubic centimer (cc), and the density in reactor No. 4 registered 0.01 microcurie on Aug. 1 and rose to 0.365 microcurie, more than 500 times the permissible level, on Sept. 6, according to the officials.

But the iodine density was still one third of the critical 1 microcurie-level and the test run was continued until it reached its full capacity on June 23 and the tests were stopped to conduct checks and repairs.

Meanwhile, the investigation so far believes the radiation leakage is presumed to have been caused by pinholes in fuel rods, but the exact cause of the leaks will be made known toward the end of next month, the officials said.

The fuel rods were fabricated by the Korea Nuclear Fuel Co. and tested by the Korea Atomic Energy Research Institute before delivery to Yonggwang nuclear power plant. If these fuel rods were found to have defects, it would likely raise public controversy over the safety of their domestic production and testing techniques for them.

Reactor No. 4 at the Yonggwang nuclear power plant is set to begin commercial operation in late March next year, after it successfully passes a 240-hour full operations test.

### Protesters Stage Sit-In at Nuclear Plant

*SK0110102195 Seoul YONHAP in English 0930 GMT 1 Oct 95*

[FBIS Transcribed Text] Yonggwang, South Cholla Province, Oct. 1 (YONHAP) — Over 200 laymen of Yonggwang Catholic Church and villagers who staged a sit-in at the Yonggwang nuclear power plant in protest against the recent radiation leakage in Reactor No. 4 of the plant ended the sit-in at around 4 pm Sunday, three hours after they started it, on their own will.

The action followed an explanation by Yonggwang Nuclear Power Plant officials that though radioactive iodine began to leak from Reactor No. 4 from July 18, increasing the radiation density in the cooling water considerably, no radiation has leaked outside the reactor, nor have there been any radiation exposures to workers there, because radiation-contaminated cooling water circulates inside the reactor only.

Following the sit-in, the protesters demonstrated in front of the Yonggwang Post Office for about an hour from 4:30 pm Sunday, demanding that the operation of Reactor No. 4 in question be suspended.

### Kim Tae-chung May Run in '97 Election

*SK0110143595 Seoul CHUNGANG ILBO in Korean 1 Oct 95 p 1*

[By Kim Hyon-chong from Taejon]

[FBIS Translated Text] Kim Tae-chung, chairman of the National Congress for New Politics, stated on 30 September that he would run for president in the 1997 presidential election if people want him to do so, and that he would like to make the ROK become the best country in the world.

Chairman Kim stated, however, that he would make a final determination on whether to run for president depending on public opinion toward the end of next year.

During his meeting with party members at the Rivera Hotel in Taejon on 30 September, Chairman Kim said: "If people need me, I will make my final decision on whether to run in the 1997 presidential election toward the end of next year. In addition, I would like to make the ROK become the best state in the world. However, if people do not want me to run, I am willing to walk back down among the people."

## Burma

### SLORC Not To Discuss Reforms With Suu Kyi

*BK0210053995 Bangkok BANGKOK POST in English 2 Oct 95 p 6*

[Unattributed report]

[FBIS Transcribed Text] Burma's military government will not discuss political reforms with opposition leader Aung San Suu Kyi, according to Rangoon's ambassador to Thailand.

Reforms would continue to be undertaken solely by the National Convention, Tin Winn said yesterday.

The ruling State Law and Order Restoration Council [SLORC] would leave the future of the country to the convention that has been drafting a new constitution since 1993.

"As the process is going very smoothly, we don't need dialogue with anybody," he said.

Earlier, there were expectations of talks between the regime and the 1991 Nobel Peace Prize laureate to reform Burmese politics following her release from house arrest in July.

Talks appeared possible when Lt-Gen Khin Nyunt, secretary of the military regime, told United States Ambassador to the United Nations Madeleine Albright early last month that the government was considering political dialogue with Suu Kyi.

Convention members, criticised by opposition groups for being hand-picked by military leaders, will gather for a new session on October 24-25 to continue work on the draft.

The ambassador said he could not anticipate when the task would be finished, but the next president needed military "knowledge" because his country required a strong government to unite 155 minority groups.

"It is not true that the president must have a military background, but must have military knowledge," he said. Civilians who met this qualification would not be ruled out.

The military would hold one of the two vice-president posts because of its right to take part in politics, although it did not have a party, he said.

The SLORC seized power in 1988. It refused to step down and accept the result of the 1990 election in which Suu Kyi's National League for Democracy [NLD] won by a landslide, although she was under house arrest for a year before people voted.

The SLORC refused to recognise the result, claiming the winning party did not live up to its promise to draw up a new constitution but instead called for the transfer of power from the military to the civilian administration, Tin Winn claimed.

Burma had no constitution at that time as people refused to accept the 1974 constitution written during Ne Win's one-party system.

The ambassador claimed that before the election all parties, political leaders and the government discussed the drafting of the constitution and agreed the party that won must initiate the draft. However, after the NLD won it asked for the transfer of power.

Opposition groups dispute this, saying SLORC's declaration on the drafty came almost a month after the election and was a tactic by the military to retain power.

The election was held in May. The announcement that elected members would draft a new constitution was dated July 27 and signed by then Brig-Gen Khin Nyunt.

### Khin Nyunt Receives Shan, Kayah, Kachin Leaders

*BK0110092095 Rangoon TV Myanmar Network in Burmese 1330 GMT 30 Sep 95*

[FBIS Translated Text] Lieutenant General Khin Nyunt, chairman of the Work Committee for the Development of Border Areas and National Races [WCDBANR] and secretary-1 of the State Law and Order Restoration Council [SLORC], received U Sai Nauk, a national leader, and his party from Special Region-3 in Northern Shan State and U Tun Kyaw, a national leader, and his party from Special Region-2 in Kayah State at the No.2 Defense Services Guest House on Inya Road in Yangon [Rangoon] at 1800 today.

Present at the meeting were Colonel Kyaw Win, deputy director of the Directorate of Defense Services Intelligence; Lieutenant Colonel Pe Nyien, director general of the SLORC Office; Lt. Col. Thein Han, director general of the WCDBANR; and responsible personnel.

After the meeting, SLORC Secretary-1 Lt. Gen. Khin Nyunt hosted a dinner in honor of U Sai Nauk, a national leader, and his party from Special Region-3 in Northern Shan State; U Zakhun Ting Ring, a national leader, and his party from Special Region-1 in Kachin State; and U Tun Kyaw, a national leader, and his party from Special Region-2 in Kayah State at the No.2 Defense Services Guest House's hall.

The dinner was attended by Vice Admiral Than Nyunt, minister of health; Lt. Gen. Thein Win, minister of transport; Brigadier General Myo Thant, minister of the SLORC Chairman's Office; Brig. Gen. Lun Maung, minister of the Prime Minister's Office; Major General Kyaw Than, minister of industry-2; Maj. Gen. Aye

Kyaw, minister of information; Brig. Gen. Khin Maung Than, chairman of the Yangon Division Law and Order Restoration Council and Commander of the Yangon Military Command; Col. Than Zin, deputy minister of health; U Kyaw Tin, deputy minister of progress of border areas and national races and development affairs; Dr. Than Nyunt, deputy minister of education; U Tin Hlaing, deputy minister of agriculture; high- ranking military officers; Lt. Col. Pe Nyien, director general of the SLORC Office; senior departmental personnel, national leaders, and their parties.

### 'Dialogue' Stresses Need for Strong Defense

*BK0210103695 Rangoon Radio Myanmar in Burmese 1215 GMT 1 Oct 95*

["Dialogue" between radio announcers Aryu and Thardu; from the "Role of the Defense Services" program]

[FBIS Translated Excerpt] [Thardu] If one were to ask the meaning of national politics, a short answer would be that the three causes — nondisintegration of the union, nondisintegration of national unity, and perpetuation of national sovereignty — constitute national politics. [passage omitted]

[Aryu] The three national causes will forever remain correct regardless of which party or government comes to power. Just consider the last of the four oaths of allegiance taken by members of the Defense Services: I swear to give my life for my country, my people, and the Defense Services. This oath will always remain true. The Defense Services are not an instrument of any organization. They have always served the nation and the people.

[Thardu] That is very clear. The Defense Services have the historical evidence to show that they have always stood firmly on the side of the country and its people. There is sufficient proof that the Defense Services have been consistently engaged in national politics from the time of their inception until today. A review of early history shows four periods of unity in our country — during the Anawrahta administration in 1044, Bayinnaung in 1551, Alaungphaya in 1753, and General Aung San in 1945.

[Aryu] That is correct, Ko Thardu.

[Thardu] The leadership of Anawrahta, Bayinnaung, Alaungphaya, and Gen. Aung San demonstrated their courage and willingness to sacrifice their lives for the nation and the people. These leaders united and established the nation based on the Defense Services. The Anglo-Myanmar [Burmese] wars of 1824, 1852, and 1885 demonstrated that a lack of strength and solidarity can lead to servitude and loss of independence.

[Aryu] That is so, Ko Thardu.

[Thardu] That is why the national leader, Gen. Aung San, said that the nation can only be strong when the Defense Services are strong. National progress can be achieved in a short time only if the country is strong. Therefore, the nation's leaders must have both physical and mental prowess. Military and political leaders must work in tandem to provide leadership to the nation. To elaborate on the issue of participation in leadership, participation should not be aimed at securing the position of prime minister or president; it should be viewed as discharging one's duty toward the nation. The country will certainly achieve progress and stability if we can combine systematic administration, a sense of fairness, and a strong Defense Services. [passage omitted]

### Khun Sa Group Revokes Reward on 'Mutiny' Leader

*BK0110121295 (Internet) BurmaNet News in English 30 Sep 95*

[FBIS Transcribed Text] Muang Mai, 28 September 1995 — One of the numerous tasks of the Central Executive committee [CEC] of The Shan State Restoration, which came to power in August, has been to straighten out all the problems created by the previous administration headed by Khun Sa. Naturally, it has been fast earning the collective nickname as the garbage sweeper. The latest in the series is Bulletin No.5, dated September 27 and signed by all of the members except those on tour in Central Shan State.

It announced the revocation of the K.1 million [Kyat, Burmese currency unit] reward offer made by the former leadership for the capture, dead or alive of Major Karnyord soon after his June mutiny. Since then, it has been an endless embarrassment, S.H.A.N [Shan Herald News Agency] learned, not only for the new leadership, but also for Khun Sa himself, who is not unknown for doing things in haste only to repent them on reflection.

When S.H.A.N. ventured to inquire about it, he said: "It was my anger. When you're so angry, you don't know what you're doing. But when our people in Taunggyi later called to report about his arrival there, my common sense had already returned. And I instructed them to forget the whole thing altogether." Meanwhile, the front with the UWSA [United Wa State Army] and its allies is quiet after the failure of their attack on the MTA [Muang Tai Army] on Tuesday.

Khun Duan Saengkham, the CEC's spokesman, also denied rumors reported by REUTERS about low morale in the Shan army as groundless. "Things have returned to normal. If there is panic in the movement, how do you explain our successful defense against the Was, who outmanned and outgunned us?" he smilingly retorted.

## Brunei, Malaysia & Singapore

## Malaysia

### Philippine President Arrives for Visit

*BK0110120495 Kuala Lumpur Voice of Malaysia in English 0800 GMT 1 Oct 95*

[FBIS Transcribed Text] Philippine President Fidel Ramos arrived in Kuala Lumpur today for a two-day working visit to Malaysia. He was met on arrival at the Kuala Lumpur International Airport in Subang by Deputy Prime Minister Datuk Sri Anwar Ibrahim. He will host a dinner for Ramos tonight.

The president is scheduled to give a keynote address at the international conference and exhibition on Filipino freedom fighter Jose Rizal tomorrow before meeting Prime Minister Datuk Sri Dr. Mahathir Mohamed. He will leave for Manila tomorrow afternoon.

### Holds Talks on Trade

*BK0210064795 Kuala Lumpur RTM Television Network 3 in Malay 0530 GMT 2 Oct 95*

[FBIS Translated Text] Trade ties between Kuala Lumpur and Manila will be upgraded, and include the possibility of opening a palm oil plantation in southern Philippines.

Datuk Sri Dr. Mahathir Mohamed held talks with President Fidel Ramos, who is on a two-day working visit to the capital. The talks were held at Carcosa Sri Negara [state guest house]. Deputy Prime Minister Datuk Sri Anwar Ibrahim was also present at the talks. Speaking to reporters, Datuk Sri Dr. Mahathir said President Ramos also expressed satisfaction over the investments of local companies in the Philippines.

[Begin Mahathir recording, in English] He thinks that we should also get involved with the southern part of the Philippines. So, maybe, he needs to know how we can expedite that. [end recording]

The issue of the Filipino workers in Malaysia was also discussed. The prime minister said there was a possibility that the immigration rules could be relaxed so as not to obstruct Philippine workers from coming to work in Malaysia.

[Begin Mahathir recording, in English, in progress] ... very flexible. We want to be sure that those coming here are needed by certain people to work as domestic helpers. [end recording]

### Ramos Departs

*BK0210071095 Kuala Lumpur RTM Television Network 1 in Malay 0530 GMT 2 Oct 95*

[FBIS Translated Text] Ending a two-day working visit, Ramos left for Manila at midday today. He left at about 12:30 this afternoon accompanied by his 20-member delegation.

Deputy Prime Minister Datuk Sri Anwar Ibrahim, Environment Minister Datuk Law Hieng Ding and Minister in the Prime Minister's Department, Datuk Hamid Osman were at the airport to bid him farewell.

### Trade Deficit Widens to 6.8 Billion Ringgit

*BK2909131595 Kuala Lumpur NEW STRAITS TIMES in English 25 Sep 95 p 23*

[Unattributed report]

[FBIS Transcribed Text] Malaysia's trade deficit for the first seven months of the year widened to [Malaysian ringgit] RM6.8 billion from a mere RM473.8 million for the same period in 1994 due to higher growth in imports.

But for July, the deficit dropped to RM1.3 billion when compared with RM2.1 billion in the previous month, according to the latest external trade summary released by the Statistics Department on Friday.

The July figures were a reverse of what was achieved during the same month in 1994, when Malaysia recorded a surplus of RM247.6 million.

Malaysia's exports during the seven-month period rose 21 per cent to RM101.4 billion compared to RM83.8 billion previously.

For July, Malaysia's total exports amounted to RM15.52 billion, showing an improvement when compared with RM13.31 billion last July, but dropped marginally when compared with this year's June figures of RM15.62 billion.

The biggest export earners for the January-July period were thermionic valves and tubes, photocells and other parts, which have a high intrinsic import content, with a total value of RM16.9 billion or 16.7 per-cent of the total export.

For July, exports of these goods amounted to RM2.73 billion, a hike from RM2.08 billion achieved last July but a decline from RM2.64 billion that was achieved in June this year.

## Cambodia

### Explosion Occurs Outside Political Party Office

*BK3009120995 Hong Kong AFP in English*
*1157 GMT 30 Sep 95*

[FBIS Transcribed Text] Phnom Penh, Sept 30 (AFP) — An explosion occurred outside the offices of a faction of Cambodia's third-largest political party Saturday, a senior party member told AFP.

It was unclear if anyone was injured in the blast which occurred just after 6 p.m. (1100 gmt), said MP Pol Ham of the Buddhist Liberal Democratic Party (BLDP)

He said the explosion occurred outside the offices of the party faction loyal to BLDP's octogenarian founder Son Sann.

Son Sann's faction was preparing Saturday to hold a party congress Sunday. But it was banned by the government which supports a faction loyal to Minister of Information Ieng Muli.

Minutes after the blast which injured 23 people outside the party faction headquarters, unidentified people threw a grenade into a Buddhist temple about a kilometre away, police and witnesses said.

Six people including a monk were injured. They have been taken to hospital but their condition is not known.

Witnesses said two explosions occurred, both following grenades thrown from motorcycles.

Party Leader Son Sann said the grenade explosion was a blow to Cambodian democracy. While Son Sann himself was uninjured his son Son Soubert sustained a minor injury to his right arm.

Son Sann said the grenade had been rolled under the front gate of the headquarters as faction members gathered to discuss tomorrow's congress, which he confirmed will still go ahead.

A senior ministry of interior official said he did not think the government was responsible for the attacks.

"The government has no reason, " said Ho Sok, secretary of state at the ministry. He is leading the investigation at party HQ.

There had been speculation earlier in the week of a confrontation between the faction and police as the faction refused to cancel the congress.

However on Saturday afternoon the faction acceeded to government wishes and changed the venue from the city's stadium to the party HQ.

The government had demanded the two factions reach a compromise before the congress.

### One Faction of Split Party Denounces Bombings

*BK0110133195 Phnom Penh National Radio of Cambodia Network in Cambodian*
*1100 GMT 1 Oct 95*

["Communique of the Buddhist Liberal Democratic Party"; place and date of issue not given — read by announcer]

[FBIS Translated Text] The Buddhist Liberal Democratic Party [BLDP] under the leadership of His Excellency Chairman Ieng Muli expressed his regret at the incidents that took place on 30 September 1995 at 1815 in which a number of innocent people were wounded.

The BLDP would like to stress that it has always adhered to the policy of solving problems through nonviolent means and democracy. The BLDP would like to firmly denounce acts of violence caused by those trespassing the law on 30 September 1995.

Phnom Penh, 1 October 1995

### Ranariddh, Hun Sen Receive Thai Defense Minister

*BK3009102195 Phnom Penh National Radio of Cambodia Network in Cambodian*
*0500 GMT 30 Sep 95*

[FBIS Translated Text] Prince Krompreah Norodom Ranariddh and Samdech Hun Sen, respectively first and second prime ministers of the Royal Government of Cambodia, granted an audience to His Excellency [H.E.] General Chawalit Yongchaiyut, deputy prime minister and defense minister of the Royal Kingdom of Thailand at the state guest house Chamka Mon on the afternoon of 29 September. On that occasion the prince krompreah said the visit by H.E. Gen. Chawalit Yongchaiyut was of historic significance for the Kingdom of Cambodia. He thanked the Royal Thai Government for having painstakingly sought peace for Cambodia and the Royal Kingdom of Thailand for its constant efforts in restoring and rebuilding Cambodia.

The first prime minister added that Cambodia is now politically secure and is making some progress.

Concerning the three major political parties, the samdech krompreah said the parties have further joined hands to build the country and that they will continue to join forces after 1998. He also said he was very pleased that Cambodia will become an ASEAN member in the near future.

In his reply, H.E. Gen. Chawalit Yongchaiyut said he was very delighted to see Cambodia enjoying peace, happiness, and prosperity. He pledged to help Cambodia further achieve peace and prosperity.

With regard to the Khmer Rouge problem, H.E. Yongchaiyut said it is nothing because the Royal Kingdom of Thailand and the Kingdom of Cambodia have already reconciled. He stressed that now Khmer Rouge forces constitute only one percent.

### Thai Defense Minister Views Border Issue

*BK0210062995 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 1 Oct 95 pp 1, 11*

[Report by Peyatro and Vanna]

[FBIS Translated Excerpt] At a 15-minute news conference in Phnom Penh on the afternoon of 29 September with Cambodian counterparts Tie Banh and Tea Chamrat, Thai Defense Minister Chawalit Yongchaiyut said: "I believe the Khmer Rouge controls only one percent of the territory and not five percent as reported by various newspapers."

[Passage omitted on naming the members of the Thai delegation and courtesy call on Cambodian coprime ministers]

On the morning of the first day of his visit, Chawalit held talks with deputy prime ministers Sar Kheng and Ieng Kiet. Afterward, the Thai Defense Ministry delegation had a working session with the codefense ministers and the chief of staff of the Khmer Royal Armed Forces. Information on these two rounds of talks has not been provided to reporters.

[Passage omitted on the signing of the agreement to set up a joint Cambodian-Thai border relations commission comprising three committees].

These three committees do not deal with border demarcation. They are concerned only with ensuring peace and security along the border of the two countries or mutual relations to solve border problems.

### Border Commission Accord Signed

*BK3009104295 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 30 Sep 95*

[FBIS Translated Text] His Excellency [H.E.] General Chawalit Yongchaiyut, deputy prime minister and defense minister of Thailand, and Their Excellencies Tea Chamrat and Tie Banh, codefense ministers of the Kingdom of Cambodia, signed an agreement on the establishment of a Cambodian-Thai border coordination commission under the lofty presidency of Prince Krompreah Norodom Ranariddh and Samdech Hun Sen, respectively first and second prime ministers of the Royal Government of Cambodia, at the Government House on the afternoon of 29 September.

After the signing, the two sides disclosed that Cambodia and Thailand have agreed to create three-tier commissions, namely the border control commission, the border peacekeeping commission, and the regional commission.

H.E. Tie Banh told national and international reporters that today's agreement will be conducive to solving all of the complicated problems along the Cambodian-Thai border, problems that have not been completely solved so far. The agreement signing reflects the fine state of our relations through which we think everything will be successfully tackled.

H.E. Chawalit Yongchaiyut said his two-day visit to the Kingdom of Cambodia is very important and can be recorded in the history of our two neighboring countries. We should help each other in developing cooperation, meaning Thailand should assist Cambodia and Cambodia should assist Thailand as much as it can.

H.E. Chawalit Yongchaiyut added: We will be able to solve all foreseeable problems. Our two countries should act on all kinds of problems, including the opening of border checkpoints.

For his part, H.E. Tea Chamrat said the Khmer Royal Armed Forces, which are still short of everything, can request aid from Thailand. However, Cambodia will not ask for weapons because it is satiated with over 20 years of war.

### Transport Memorandum Signed

*BK3009111495 Bangkok BANGKOK POST in English 30 Sep 95 p 8*

[Report by Amonrat Mahithiruk]

[FBIS Transcribed Text] Phnom Penh — Thai and Cambodian Transport authorities yesterday signed a memorandum of understanding (MOU) in Phnom Penh to secure mutual cooperation in transportation, Transport and Communications Minister Wanmuhamatno Matha said.

Under the MOU, which was agreed at the ministerial level, both countries will set up a joint committee on the development of Thai- Cambodian transportation within the next six months. The committee will comprise authorised representatives from both sides.

Mr Wanmuhamatno was commenting while accompanying Deputy Prime Minister and Defence Minister Chawalit Yongchaiyut on a two-day official visit to Phnom Penh.

During the visit, Cambodia asked Thailand to renovate the 50-kilometre road running from Poipet to Sisophon in Banteay Meanchey province.

Mr Wanmuhamatno said the Thai government would consider the request and suggested that the necessary funding for the project could be sought from either United Nations agencies or Thailand's "Indochina Fund".

Thai engineering troops were responsible for constructing the Poi Pet-Sisophon road while serving as part of the peace keeping force during the time of the UN transitional authority in Cambodia.

The road has since been damaged, however, due to heavily loaded trucks being allowed to travel along it, he said.

The State Railway of Thailand (SRT) will later propose a project to the joint Thai-Cambodian transport committee to build a 48- kilometre railway track from Thailand's Aranyaprathet to Sisophon via Poipet.

Having conducted the relevant studies, the SRT is ready to operate the project as well as train Cambodian personnel in railway technology, Mr Wanmuhamatno said.

To finance the scheme, the minister said loans could be arranged through Thailand, a third country or the Indochina Fund.

He cautioned that private Thai companies should not take part in such projects for the time being, saying the Thai private sector still held a negative attitude towards neighbouring countries by only wanting to take advantage of development projects in them.

The private sector could join in later with the endorsement of the Thai government.

In order to become the regional centre, Thailand must first help to develop neighbouring countries in terms of their transportation infrastructure and overall economies, he said.

### PRC Supports Bid for ASEAN Membership

*BK0210045095 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 1 Oct 95*

[Interview with PRC ambassador Mrs Xie Yuee by an unidentified correspondent in Phnom Penh on 1 October — recorded]

[FBIS Translated Excerpt] [Passage omitted dealing with significance of the 46th founding anniversary of the PRC and success of China's modernization] [Correspondent] For a long time the PRC has given support and cooperation to the Kingdom of Cambodia [KOC]. Do you have any comment on this issue?

[Xie Yuee] Our two countries, China and Cambodia, have a time-honored tradition of friendship. The close friendship between Chinese leaders of various eras with His Majesty King Norodom Sihanouk marks a brilliant page in the history of Sino-Cambodian ties. Our two countries and peoples have always had sympathy and have always supported one another. After Cambodia entered the new epoch — that is, the epoch of economic rehabilitation and reconstruction — our two countries continue to have this tradition of friendship based on the five principles of peaceful coexistence, and this friendship has since been further strengthened and expanded.

To help Cambodia in reconstruction, China has given U.S. $10 million in unconditional aid and a U.S. $8.8-million grant. Some of these funds have already been spent on various projects. A number of other projects, for example, the one to help Cambodia sink 500 drinking wells, is being implemented.

Moreover, China has also provided Cambodia with 2,000 metric tons of rice, 40 water pumps, mine detectors, the training of Cambodian personnel in demining operations, and other aid material such as cloth for military uniforms and medicine.

China will continue to support and assist Cambodia as much as it can. It will further expand economic and trade ties and cooperation in all fields on the basis of equality and mutual benefit.

I am confident that thanks to the joint efforts of our two countries, our friendly ties and cooperation will continue to blossom in a magnificent future.

[Correspondent] What is your assessment of the political and economic situation of the KOC since the elections in 1993?

[Xie Yuee] After the elections, Cambodia with a new constitution created the current Royal Government of Cambodia [RGC]. Since then, Cambodia has entered a new epoch of peace and national reconstruction. Under the leadership of His Majesty King Norodom Sihanouk and the RGC, the Cambodian people have united and pooled all their efforts to rehabilitate and rebuild their economy. During this relatively short time, Cambodia has been making active progress in enhancing and consolidating peace and stability, rehabilitating and rebuilding the economy, and improving the people's livelihood. Of course, I am very delighted with all of that. It is natural that Cambodia, like other countries, still has some difficulties. However, I firmly believe that all these difficulties will be overcome. No force can stop the advance toward peace and reconstruction in Cambodia.

[Correspondent] Thank you. This is my last question: The KOC will soon become an ASEAN member. What is your opinion?

[Xie Yuee] Southeast Asia, now ASEAN, is becoming more active in international affairs and is playing an increasingly important role in promoting regional cooperation and the defense of regional peace and stability. Economically, ASEAN is one of the world's most dynamic regions. For this reason, it is attracting the attention of international groupings on a daily basis. China is interested in promoting stable, lasting friendly relations with all ASEAN countries.

I hope that Southeast Asia will become a region of peace, development, friendship, and cooperation. I note with delight that Cambodia has already obtained observer status with ASEAN, and I hope it will become an official member of ASEAN in the not-too-distant future. I admire Cambodia for its dedication in expanding friendship and harmony with all its neighbors and for playing a growing role on the international stage and in regional cooperation in a bid to create an excellent international environment where Cambodia itself can develop in peace. Thank you.

## Philippines

### Envoy: PRC 'Now Willing' To Discuss Spratlys

*BK0210081395 Manila THE MANILA CHRONICLE in English 29 Sep 95 p 9*

[Report by Anna Liza Guiwa]

[FBIS Transcribed Text] Beijing is now opening its doors to other Spratlys claimants to discuss their overlapping claims in the disputed islands in the South China Sea, as it pledged not to use force to resolve the dispute, Chinese Ambassador to the Philippines Guang Deng Ming said yesterday.

Speaking at the gathering of Rotary Club of Manila at the Manila Hotel, Guang said: "China is now willing to have discussions with parties concerned over the related dispute on the Nansha islands (the name used by China to refer to the Spratly islands) in line with established principles of international law and modern maritime law, including the basic principles and rules enshrined in the United Nations Convention on the Law of the Sea."

Guang said Beijing has recognized through the "complexity and difficulties" in solving the territorial disputes, but he said China shows its sincerity in safeguarding peace and developing good neighborly and friendly relations with countries concerned." [quotation marks as published]

The envoy said China will continue to carry out Deng Xiaoping's proposition that "China has sovereignty over the Nansha islands, shelve the dispute and carry out common development," as a guideline for the solution to the Nansha issue.

Guang said that China has always maintained that the dispute between China and the Philippines over the Nansha islands should not affect the normal development of bilateral relations. "Related dispute should be settled in a peaceful and friendly manner through consultations on the basis of equity and mutual respect," Guang added.

Aside from China, the Philippines, Vietnam, Malaysia, Taiwan and Brunei have overlapping claims over the oil-rich Spratlys. All except Brunei have installed military structures in the disputed islands.

A row between Manila and Beijing erupted early this year when Philippine naval forces discovered Chinese structures on Mischief reef, an island being claimed by Manila.

But the Chinese officials denied that the structures were meant for military applications, saying they were "shelters" for fishermen.

Meanwhile, Chinese officials are expected to visit on Sunday the 58 Chinese fishermen imprisoned in Puerto Princesa since March.

They are due to return home Monday after they were granted a presidential pardon.

Zhang Tiengen, Chinese Embassy spokesman, told the Chronicle that Ambassador Guang was also negotiating with the officials of the Department of Foreign Affairs (DFA) that clemency be given to the other four Chinese fishermen who were still detained in Palawan.

President Ramos had earlier announced that he pardoned the 58 fishermen whom the Philippine Navy caught aboard four boats while allegedly poaching in an area claimed by Manila. But he said the pardon applied only to 58 in the group, and the four others, who were captains of the boats, have to remain in detention for further investigation.

The four captains were identified as Mak Yun Chui, Lai Tak Kun, Wong King Fa and Schun Man On, all from Hainan, China.

The Regional Trial Court in Palawan sentenced them to at least six months in jail after they were found guilty of malicious mischief.

### Manila To 'Openly Condemn' U.S. at UNGA

*BK0210045495 Quezon City Radio Filipinas in English 0230 GMT 2 Oct 95*

[FBIS Transcribed Text] Manila will openly condemn before the United Nations unilateral moves of the United States to reduce its peacekeeping contributions to the UN from 30 percent to 25 percent. This was stated by a highly placed Department of Foreign Affairs [DFA] source. This developed as the government rejected appeals by U.S. President Bill Clinton for the United States to be spared from criticism during the ongoing 50th UN General Assembly [UNGA] in New York over the issue.

The DFA source said the Philippine delegation to the 50th UN General Assembly [UNGA] is set to openly condemn that move. The United States must live up to the image that it portrays which is as global cop. It must pay more since it is the one pushing for peacekeeping efforts that have undermined development issues in the world body. Foreign Secretary Domingo Siazon Jr., who is now attending the 50th UNGA, has criticized the UN for being too preoccupied with peacekeeping efforts thereby neglecting the more important development issues like migrant labor and the protection of women workers.

## Thailand

### New Army Chief Explains Policy, Reshuffle

*BK0210060295 Bangkok BANGKOK POST in English 2 Oct 95 p 4*

[Newsmaker column by Watsana Nanuam: "Pramon Appointment Unlikely to Provoke Antigovernment Backlash"]

[FBIS Transcribed Text] If anyone other than Gen Pramon Phalasin had been appointed Army commander-in-chief, many senior Army officers believe a confrontation between the military and Government would have been unavoidable.

But they still feel Defence Minister Chawalit Yongchaiyut has interfered in Army affairs by making changes to the annual reshuffle list drafted by retiring Army chief Gen Wimon Wongwanit.

But since Gen Pramon, who is currently the armed forces chief-of- staff, served in the Army before being moved to the Supreme Command Headquarters last year and is also accepted and respected by Army staff, there has been no move to oppose his promotion.

Many also see the return of Gen Pramon to the Army as commendable after he was "treated unfairly" by Gen Wimon when he became Army commander in late 1992 after the Black May incident.

Gen Pramon was moved in 1993 from the position of Army chief-of- staff to assistant Army commander, a transfer which in effect was a demotion because the latter position is less powerful.

In 1994 he was kicked out of the Army all together and transferred to the Supreme Command as chief-of-staff.

This paved the way for one of Gen Wimon's close associates, Gen Phaibun Emphan, to take the top post with the Army.

Gen Wimon and Gen Phaibun are graduates of Chunlachomklao Royal Military Academy's Class 5, while Gen Pramon is a Class 6 graduate.

In 1993, Gen Wimon promoted Gen Phaibun, who was at the time head of the Army commander's staff officers, so he would succeed Gen Pramon as Army chief-of-staff. The following year he was promoted again, to deputy Army commander, placing him next in line for the top post.

Gen Phaibun was tipped to succeed Gen Wimon as Army chief but Gen Chawalit changed the appointment in favour of Gen Pramon.

Gen Pramon says now he was hurt by his treatment at the hands of Gen Wimon, but as a military man he obeyed the order from his commander.

"I can be anywhere as long as there is work to do and I can serve the military," he said.

He also says he did not feel indignant at anyone and has coordinated well with Gen Phaibun and Gen Suthep Siwara, currently the Army chief-of-staff, with their administration work over the past two years.

Now he is to be the next Army commander, winning the position from Gen Phaibun in the final strides, he believes his rival understands the situation and will not mix personal matters with duty.

"I have always held him (Gen Phaibun) in esteem and regard him as an elder brother. I am ready to call on him or call him up to clarify any misunderstanding should it arise," he said.

Gen Pramon defended Gen Chawalit against criticism that he stands to gain handsomely from the military arms procurement plan by making his own appointment of the head of the Army.

"If he wanted to do that, he would not have chosen me for the post. He knows what kind of person I am," said Gen Pramon.

"Besides, I don't think he has any bad intentions. Although he is a politician now, he was a serviceman before. He knows what he should do (concerning military affairs)."

Gen Pramon is said to have cultivated close ties with Gen Chawalit when he served in the Army Operations Department and the latter was his direct commander.

The next Army commander said he would distance the Army from political affairs and was determined to improve its image.

He said the public could rest assured as he had never believed a coup d'etat could help solve national problems.

"On the contrary, it will only destroy the country by taking it backwards. A coup is just an excuse used by those who want power. As we chose to run the country democratically, every one of us will have to lend a hand so the system can further develop," he said.

Gen Pramon believes success comes from unity and so intends to foster greater cooperation between the Armed Forces to bring them closer together.

He said he learned during his one year as the supreme command chief-of-staff that there is a great deal of estrangement between the Supreme Command Headquarters and the armed services as well as between the three armed forces themselves. Another thing he wishes to do is give greater justification to Army reshuffles. His plan is to allow graduates of each class at Chunlachomklao Academy to propose 10 of their classmates for reassignment and he would then choose between them who is best qualified for which post.

This way, he believes, the Army can rid itself of the practice of class affiliation.

"I'm not planning to get rid of anyone as I don't have my own faction. I don't care who belongs to which group. When they work with me, they must belong to the Army alone," he said.

According to Gen Pramon, he dislikes those doing nothing other than flattering superiors in return for posts.

"I don't consider congratulations are necessary. Whether they come (to express their good wishes) or not, I'll treat them all equally."

Gen Pramon, 59, has three children, two of which followed his footsteps by joining the Army.

His eldest son is the deputy commander of the Royal Guard Battalion with the 11th Infantry Regiment while his second son is a lecturer at the Army staff school.

According to Gen Pramon, he did not want any of his children to join the military based on his own experience of how hard the life is for service men.

"It was their choice. I could not do anything except tell them to make sacrifices to serve the country," he said.

Gen Pramon has dedicated most of his time to work but now he is no longer stationed in faraway posts he spends most of his spare time with his family, staying home and reading.

"This is to recover the time together that we lost in the past," he said, adding he also quit smoking six years ago when he realised it was hazardous to the health of his family.

The new Army chief joined the Army as an infantry soldier after his graduation from the military academy in 1959.

He takes pride in having joined the Thai forces sent to the Korean War in 1962, the Vietnam War in 1969, and the secret mission in Cambodia.

"I speak Khmer quite fluently. It's one of the things I'm proud of," he said.

Gen Pramon vowed to do his best for the benefit of the Army during his last year before retirement.

As a soldier patrolling along the Mekong River for years, he never dreamed of eventually climbing to the top post.

"For me to be the supreme commander would be good enough, but now that I have been given a chance I will do my best."

Gen Pramon insists he did not lobby for the post as many believe.

"After Gen Chawalit became the Defence Minister I never called on him because other people might misunderstand.

"I have never resorted to this practice in my whole life and dare not stain my reputation in this final phase of my career," he said.

### Officer Says He Altered Reshuffle List

*BK3009121695 Bangkok THE NATION in English 30 Sep 95 p A 3*

[Unattributed report]

[FBIS Transcribed Text] Defence Minister Chawalit Yongchaiyut had nothing to do with the annual military reshuffle list, retiring Permanent Defence Secretary General Prasoet Sarasit said yesterday.

Prasoet said he had made changes to the list, in which several strong candidates for certain positions were transferred to less powerful posts.

"All the responsibility rests with the permanent secretary for the Defence Ministry. Gen Chawalit did not intervene in the transfers," he said after a farewell ceremony at the Defence Ministry.

The annual military transfer list is first worked out by armed forces leaders and then submitted to the defence permanent secretary, who after due consideration forwards it to the defence minister for final approval.

Prasoet said the officers who were promoted to the posts of defence permanent secretary, supreme commander and Army commander were suitable candidates.

"Soldiers have discipline. I can assure you there will be no problem. The military has a clear stand, that it will not become involved in politics," Prasoet said.

"The most important thing is that the military must support the government and act according to the policy laid down by the defence minister."

He would not comment on news reports that the transfers would strengthen Chawalit's political base.

In the reshuffle list announced this week, Armed Forces Chief of Staff Gen Pramon Phalasin, who is believed to be close to Chawalit, was promoted to succeed Army Commander Wimon Wongwanit.

It was reported that Gen Wimon nominated Army Deputy Commander Gen Phaibun Emphan, but Chawalit preferred Pramon. Phaibun, Wimon's classmate in Chulachomklao Royal Military Academy's Class 5, was appointed to succeed Prasoet as permanent secretary.

Gen Wirot Saengsanit was surprisingly appointed supreme commander. He was a member of the military junta which toppled the Chatchai Chunhawan government in 1991 and which played a leading role in the bloody crackdown on pro-democracy demonstrators in May 1 1992.

During yesterday's ceremony Phaibun, who will officially replace Prasoet tomorrow, said he would retain Prasoet's policies and act only in the interests of the country.

He asked for cooperation from officers at the Defence Ministry's Office of the Permanent Secretary.

Prasoet said Phaibun was a capable successor who would be effective in the job.

Retiring Army Commander Wimon said yesterday he was confident that the Army would remain strong under Pramon.

"The new man is a man who has been with us for a long time. Everyone please give him cooperation and faith," Wimon told fellow officers at a farewell ceremony at Army Headquarters.

In response, Pramon, who officially succeeds Wimon tomorrow, said he would perform his duty conscientiously and responsibly.

### Article Analyzes Recent Military Reshuffle

*BK0110121595 Bangkok THE SUNDAY NATION in English 1 Oct 95 p B8*

[Article by Prakopphong Panaphun: Chawalit Reshapes Power Balance With Army List]

[FBIS Transcribed Text] As soon as New Aspiration leader Chawalit Yongchaiyut took office as deputy prime minister and defence minister after the July 2 elections, rumours started circulating that he would meddle in the annual military reshuffle.

The public was kept wondering as speculation alternated with denials that retiring Army chief Gen Wimon Wongwanit had rushed the reshuffle list through to preempt Chawalit from changing it.

Chawalit denied he would interfere with Wimon's decisions. Wimon denied he feared any such move by Chawalit.

Then came the moment of truth, when the final reshuffle list of 511 military officers was officially announced last Tuesday.

The most obvious changes by Chawalit were his decisions to swap around the top posts in the three agencies under the Defence Ministry — the Office of the Permanent Secretary, the Army and Supreme Command.

Usually, the Army chief, permanent secretary and supreme commander nominate their respective successors.

But Chawalit redirected Wimon's chosen successor, Deputy Army Commander Gen Phaibun Emphan, to the post of permanent secretary for Defence.

Deputy Defence Permanent Secretary Gen Wirot Saengsanit was transferred to the post of supreme commander.

And in the most surprising choice, Gen Pramon Phalasin was transferred from the Supreme Command, where he is chief of staff, to the most powerful position of Army chief.

Usually, military officers who graduated from military institutions in the same year are promoted to key command posts at the same time, allowing them to consolidate power easily.

Although there are several institutes, graduates are often referred to by the class which graduates from the Army's Chunlachomklao Royal Military Academy in the same year. For example, Navy officers who graduated in the same year as Chulachomklao's Class 5 are known as Class 5 graduates.

Officers from each class are known to love and have an attachment for each other, even though they may work in different branches of the armed forces.

In the past, it was known that the officers in power would try to hand down power to their favourite juniors from a particular class, ensuring a smooth transition and allowing the junior class to consolidate power.

Such consolidation of power has always haunted Thai politics, with fears of coups by the top brass.

At first glance, it seemed that Chawalit had personal reasons for swapping around the three top posts in this year's reshuffle.

Chawalit, himself a Class I graduate, is known to have pushed Wimon's Class 5 into power before he stepped down as supreme commander and acting Army chief to become a Cabinet member in the Chatchai government in the middle of 1990.

But Class 5 abandoned Chawalit when it staged a coup against the Chatchai government in 1991 and then failed to support him for the post of prime minister.

It seemed like revenge when, Phaibun a Class 5 graduate, was pushed into the post of permanent secretary, where he will shuffle papers instead of commanding combat forces.

The new Army commander is a Class 6 graduate. Although Wirot, a Class 5 graduate, seems to have received a promotion, the position of supreme commander is only a ceremonial post, far less powerful than Army commander-in-chief.

Wirot and Phaibun will retire next year. They will be among the last of Class 5 in positions of true power.

Another Class 5 officer, Adm [Admiral] Prachet Siridet is Navy commander-in-chief. He is due to retire next year.

The Air Force is headed by a Class 6 graduate, not Class 5, ACM [Air Chief Marshal] Siriphong Thongyai. He is also due to retire next year.

It could not be confirmed how far down the transfer list Chawalit interfered, but the outcome seems to be a well-balanced spread of power over several graduate classes.

This power spread could prevent military officers pulling together and thus posing a threat to Chawalit as defence minister, and also to the government.

The clearest signs are the top five key positions in the Army, dubbed the five tigers. The five tigers belong to five different classes.

Pramon is a Class 6 graduate, while Assistant Army Commander Gen Chettha Thanacharo, who was appointed deputy Army chief, is from Class 9.

A new assistant Army chief, Gen Thawan Sawaengphan, graduated in Class 7. He was promoted from the post of adviser attached to Army Headquarters.

First Army Region Commander Lt Gen Bundit Malaiarisun was promoted to assistant Army commander with the rank of full general. He is a Class 8 graduate.

Gen Suthep Siwara, a Class 5 graduate who retires next year, was left in the post of Army chief of staff.

The positions of commander of the six Army regions were also shared among graduates of classes 9, 10 and 12.

Maj Gen Winit Krachangson (Class 9) was promoted from deputy commander of the 1st Army Region to commander, with the rank of lieutenant general.

In the 2nd Army Region, Lt Gen Surayut Chulanon (Class 12) remains the commander.

The new commander of the 3rd Army Region is Lt Gen Thanom Watcharaphut (Class 9), promoted from 3rd Corps commander.

Lt Gen Panthep Phuwanatnurak (Class 9), remains commander of the 4th Army Region.

The 5th Army Region, which is officially called the Special Warfare Centre, is headed by Lt Gen Chalongchai Yaemsaso (Class 10). No change.

Finally, the 6th Army Region, or Air Defence Command, is headed by Lt Gen Samphao Chusi (Class 12).

In short, Class 9 controls the 1st, 3rd and 4th Army regions. Class 12 takes care of the 2nd and 6th Army Regions, while Class 10 is in charge of the 5th Army region.

If Chawalit remains defence minister until next year's expected reshuffle, this year's transfer lists will be only the first step in his apparent move to ensure a balance of power.

Since, the Army, Navy and Air Force chiefs are due to retire at the same time next year, the public can expect to more surprises from Chawalit.

### Chawalit, Military in 'Unusual' Meeting

*BK0210041995 Bangkok THE NATION in English 2 Oct 95 p A1, A6*

[Unattributed report]

[FBIS Transcribed Text] Defence Minister Chawalit Yongchaiyut called an unusual meeting of the military's top brass yesterday, on the first day the annual military reshuffle took effect.

The meeting with chiefs of the armed forces was held at the official residence of the prime minister at Ban Phitsanulok, and covered undisclosed topics.

In this year's reshuffle, Chawalit appointed a new Army chief, supreme commander, and permanent secretary for defence to replace those retiring.

Returning from a visit to Vietnam yesterday, Prime Minister Banhan Sinlapa-acha said he was kept in the dark about the meeting.

"I may find Chawalit's notes about the meeting when I arrive home," Banhan said at Don Muang Airport.

The prime minister said he had assigned Chawalit to cooperate with the military to sort out any problems in the armed forces.

"If the military has any problems, the government will treat them as its own. Chawalit has been assigned to find out what they are."

Banhan said he himself would be willing to meet and talk with the leaders of the three branches of the armed forces.

The prime minister said Chawalit's meeting should have had nothing to do with the opposition's proposed charter amendments, which would be considered by Parliament this week.

Banhan returned from his short overseas trip amid simmering political trouble at home that triggered calls for a Cabinet reshuffle. He is expected to face continued defiance from a powerful faction within his party.

Banhan has been accused of being behind the "unwarranted" media criticism of Group 16, a member of the Chat Thai faction claimed yesterday.

"Criticism of us, particularly by columnists in newspapers, has increased day by day. We believe Banhan knows all about it. The more we are criticized, the higher he floats. All the bad things fall on us," said the MP, a prominent member of the Cabinet who asked not to be named.

"We don't know how to find a way out. We didn't think Banhan would do this to us. "

He said Banhan, the Chat Thai leader, had won the premiership due to the faction's support. He likened Banhan's actions to "killing the buffalo after a day's farming or killing all the knights after a war" .

Members of Group 16 in the Cabinet, in particular Deputy Finance Minister Newin Chitchop, have been criticized since their first day in office. Many critics say the image of some faction members is not acceptable.

Other Cabinet ministers from the group, which is a wing in Chat Thai's Thoet Thai faction, include Deputy Interior Minister Suchat Tancharoen and Deputy Commerce Minister Phairot Suwanchawi.

Members of other factions in Chat Thai have been critical of Group 16. Aram Lowira (Chat Thai-Chaiyaphum) has formally called on Banhan to reshuffle the Cabinet line-up.

He said Cabinet ministers who had image problems should be removed to save the coalition government.

Members of other coalition parties, including Phalang Tham leader Thaksin Chinnawat, have also called on the prime minister to reshuffle the Cabinet.

The source said Group 16 had been targeted without proper reason. He claimed that criticism had ceased, but was renewed recently by certain people.

"It is easy to find the answer, why they target us and who is behind the move," he said.

The group's image should not be given as a reason to kick them out of the Cabinet. "You should have a more clearcut reason. It is not easy to remove us," he said.

### Ministers Comment on Call for Cabinet Reshuffle

*BK0110075095 Bangkok THE NATION in English 30 Sep 95 p A 2*

[Unattributed Report]

[FBIS Transcribed Text] Prime Minister Banhan Sinlapa-acha should consider reshuffling his Cabinet after the current parliamentary session ends early next month to shore up public confidence in the government, Deputy Prime Minister Thaksin Chinnawat said yesterday.

But Banhan indicated yesterday he had no intention of making changes to the Cabinet lineup at this time.

Thaksin, leader of the Phalang Tham Party, suggested that the seven-party coalition government does not command the trust of the majority of people.

"I believe after the end of the current parliamentary session, it will be time for the prime minister to consider doing something," Thaksin said. "The most important thing is that members of the Cabinet must have the confidence of the people. "

Parliament is expected to end its current session on Oct 7.

Thaksin did not name any Cabinet members he thinks should be replaced in any reassignment.

He said a lack of public confidence in the government could lead to political instability, which could in turn scare away prospective foreign investors.

Thaksin also offered to reshuffle Cabinet members belonging to the Phalang Tham Party.

"The Phalang Tham Party is prepared (for a Cabinet reshuffle). (The prime minister) can have our resignation letters anytime," he said.

The PDP requires all members appointed to Cabinet positions to submit an undated resignation letter, which the party says makes it easier for the party leader to reassign or remove them simply by filling in the date.

Thaksin refused to comment on speculation that a group of Chat Thai MPs belonging to the Thoet Thai faction had been trying to persuade him to take over as interior minister when Banhan, who is doubling as interior minister, relinquishes the position in the near future.

"I'm content with being a deputy prime minister. If I can't do my job well, I'll just quit," he said.

The call for a Cabinet reshuffle was initiated by Chat Thai members seeking to curb the influence of the powerful Thoet Thai faction. The faction is led by the party's chief adviser, Narong Wongwan, Deputy Finance Minister Newin Chitchop and Deputy Commerce Minister Phairot Suwanchawi.

Banhan, speaking over lunch with senior government officials from all ministries, said yesterday he would ask any member of his Cabinet under criticism for incompetence or wrongdoing to "improve themselves".

"But first the people should identify which Cabinet members need improving. Many people say some members of my cabinet are ugly persons, but you have to tell me who they are," he said.

Deputy Interior Minister Suchat Tancharoen, also a prominent member of the Thoet Thai faction, denied that any of its members had asked Thaksin to take the interior portfolio.

Suchat, however, said he agreed that a Cabinet reshuffle should be carried out if necessary to shore up public confidence in the government.

"The government should listen to criticism. If some Cabinet members are not doing their job well or if they damage the credibility of the government, something must be done to improve things."

### Chawalit Sees New Era Dawning on Cambodia Ties

*BK0110121195 Bangkok THE SUNDAY POST in English 1 Oct 95 p 3*

[Report by Amonrat Mahithiruk]

[FBIS Transcribed Text] Ties between Thailand and Cambodia will move into a new era as relations between the two countries are no longer blocked by mutual mistrust, Defence Minister Chawalit Yongchaiyut said yesterday.

On his arrival in Bangkok after returning from Phnom Penh, Gen Chawalit said there would be no further accusations made between the two countries.

"There will be no more accusations between the two sides," he assured reporters.

Relations between the two countries have been up and down due to the Khmer Rouge problem.

Gen Chawalit, who is also a deputy prime minister, assured that Cambodia is safe for foreign investment except for certain areas where fighting between Khmer Rouge and government forces still occurs.

The situation in Cambodia is suitable for foreign investment, he added.

The defence minister ended his two-day official visit to Cambodia yesterday with the highlight of the trip being the signing of a border agreement with his counterparts Tie Banh and Tea Chamrat.

According to the agreement, the two countries will set up border committees at the local, regional and national levels to secure border situations and expand ties along the frontier.

Transportation and Communications Minister Wanmuhammatno Matha, who accompanied the defence minister on the trip, said Cambodia had proposed establishing a Thai-Cambodian Chamber of Trade to boost trade and investment between the two countries.

The proposed Chamber of Trade would be a venue for investors and traders from Thailand and Cambodia to hold talks in order to bring about closer business ties between them as the two countries have great potential for cooperation in the transportation sector, Mr Wanmuhammatno explained.

Cambodia has invited Thailand to invest in its railway development as the country wants to improve a 48 kilometre track running from Thailand's Aranyaprathet to Sisophon in Banteay Meanchey province.

Mr Wanmuhammatno expressed confidence that Gen Chawalit would urge the Cabinet to implement all the agreements signed with Phnom Penh.

Thailand would raise the problem regarding Cambodia International Airlines (CIA) with Cambodia after both sides have looked into the relevant facts, he said.

The Cambodian government ordered the Thai-owned airline to stop flying last December and gave the rights to Royal Air Cambodge, a joint venture between Cambodia and Malaysia.

Army Assistant Commander Gen Chettha Thanacharo who accompanied Gen Chawalit to Phnom Penh, also expressed confidence that foreign investment in Cambodia would increase remarkably in the future.

Thailand was ready to boost trade with Cambodia especially after the roads linking the two countries have all been improved, he said.

Gen Chawalit yesterday said the Khmer Rouge guerrillas had lost their importance and were no longer worth worrying about.

Reuters news agency quoted Gen Chawalit saying: "Nobody talked about the Khmer Rouge (in official talks). It means nothing at all all the people in this country and in my country, we have to forget it."

Cambodia and Thailand have often clashed over Phnom Penh's accusations of continued Thai support for the outlawed Khmer Rouge despite international recognition of Thailand's efforts to stop aiding the group.

At a news conference late on Friday, Gen Chawalit said estimates that the rebels control five to 10 per cent of Cambodian territory were exaggerated, but Cambodia's armed forces were not strong enough to recapture Khmer Rouge-held areas.

Gen Chawalit, who is also deputy prime minister, headed a 57-strong delegation including ministers and defence officials.

The delegation held talks with Cambodian officials including co- Premiers Prince Norodom Ranariddh and Hun Sen, Deputy Prime Ministers Ing Kiet and Sar Kheng and leaders of the Royal Cambodian Armed Forces.

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## Nation To Fund DPRK Reactor Construction

*BK3009105995 Bangkok BANGKOK POST in English 30 Sep 95 p 10*

[Unattributed report]

[FBIS Transcribed Text] Thailand is to fund the construction of a nuclear reactor for North Korea, a Foreign Ministry statement said yesterday.

The Banhan Sinlapa-acha cabinet decided at a meeting earlier this month to donate the sum to build a light-water nuclear reactor to produce power for energy-starved North Korea, the statement said.

Thailand will supply North Korea with oil as a substitute energy until the nuclear reactor is finished, it said.

The United States and North Korea agreed in Geneva last October to end North Korea's nuclear development programme, a longstanding issue which caused tension in the Korean Peninsula and East Asia, the statement noted.

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## Paper on Importance of U.S. Regional Presence

*BK0210051095 Bangkok BANGKOK POST in English 2 Oct 95 p 4*

[Editorial: "New Security Policy Should Include U.S."]

[FBIS Transcribed Text] This seems like an excellent time to reassess the security of our part of the world. Such an appraisal may actually be overdue, not least because Okinawans once again are exercised about the 14 U.S. military bases and 45,000 troops on their island. Many of them consider this is far more than is fair or needed. Shocked and angry at charges three American troops abducted and raped a 12-year-old Okinawan girl, demonstrators are demanding a reduction — or even a withdrawal — of U.S. forces.

The leaders of America and Japan insist their relations are good, and are quick to point out the advantages of the bases. It is easy to see, however, that the Okinawa protests are far from unprecedented. Since the end of the Vietnam war in 1975, Thailand and the Philippines both have sent all U.S. forces packing. Our country also joined Indonesia, and ASEAN in general, in turning down Washington requests for "floating stockpiles" of U.S. arms designed for quick use in any military emergency. Here in Thailand, we have not been hostile to the U.S. military — we conduct joint exercises and allowed use of U-Taphao as a staging area during the Gulf War, for example.

Still, there is good reason to doubt we have replaced the outdated Cold War security policies with well-considered alternatives. Our region has had nearly 10 years of peace since the Vietnamese army's retreat from Cambodia, yet the promise of what former U.S. President George Bush referred to vaguely as a "new world order" still is unrealised. In fact, it has not yet been defined in any meaningful or hopeful way. Nationalist trends in our own area and throughout the world have cut U.S. military presence, but little has emerged as the basis of long-term security commitments.

U.S. forces are in Japan, including Okinawa, mainly because of a quirky, unpredictable North Korea, which frequently has been a violent nation, unwilling to accept the responsibilities of world citizenship. This is clearly to Japan's advantage, but it also is a major plus to the rest of our Pacific region. But a new security policy must be far more encompassing. Few fear China for now, but that nation's size, history of regional hegemony, and unpredictability and secrecy with its own nuclear weapons must be considered.

There is also the matter of Japan itself. Tokyo still is largely unapologetic about its World War II atrocities. Many of that nation's leaders continue to claim the supposed advantages of its aggression, insisting that other Asians should credit Japan for the conflict instead of criticising it. Japan also maintains both the world's third largest military budget, the ability to construct nuclear weapons in weeks or months, and both an unrelenting suspicion and patronising China.

Despite its economic difficulties and populist calls for a new isolationism, the U.S. clearly intends to remain in the Pacific as a major player. Many Americans, apart from the most narrow-minded, believe the hope for new economic progress lies in expanding trade in our area. Most trade is a win-win situation, so long only as its rules are fair. Thailand itself, and the regional groups it supports beginning with ASEAN, can assure that fairness. But economic prosperity will quickly reverse if there are security problems or even strong hint of them.

Our country and our region has good reason to continue its long- standing relations with the United States. Its victory over Japan in the Pacific war undeniably saved this part of the world from a brutal colonisation. Its efforts in Vietnam, which were rightly supported by Thai Governments of the day, provided breathing space for much of Southeast Asia to emerge from colonisation into the strong and confident states we have today.

The United States remains an important key to a new security strategy for this part of the world. This strategy, which is overdue in a world which changes faster than ever in history, must be designed to protect all regional countries and their citizens equally from predator nations which may appear, however unexpectedly. Until nuclear disarmament is achieved, it should depend partly upon Washington's nuclear umbrella, as in the past.

A new security policy must also take into account fully the newly emerging pride of nations which now stand on their own. There is no longer a need or an argument for unquestioning subservience to America. Neither is there a reason to abandon the protection it is able to provide.

## Vietnam

### Thai Prime Minister Makes One-Day Visit

#### Discusses Claims, Loan

*BK0210043395 Bangkok BANGKOK POST in English 2 Oct 95 p 1*

[Report by Atchara Ashayakachat in Hanoi]

[FBIS Transcribed Text] Thailand and Vietnam have pledged to expand cooperation.

Prime Minister Banhan Sinlapa-acha, on a one-day visit to Hanoi, urged Vietnam to talk further about the countries' overlapping claims in the Gulf of Thailand.

These have resulted in clashes over territorial waters and disputes about fishing areas.

A joint committee to solve the problem has met five times and has apparently improved relations.

Senior officials of the two countries plan to meet next month to detail steps toward settling the claims.

A possible solution could be along the lines of a joint development area agreed on between Thailand and Malaysia to resolve their disputed claims, Foreign Ministry Permanent Secretary M.R. Thep Thewakun said.

Vietnamese Prime Minister Vo Van Kiet called for the release of 14 Vietnamese fishermen detained in Songkhla early this year.

Mr Banhan yesterday suggested the South China Sea Economic Zone to settle territorial disputes.

"Vietnam seemed to agree but we should think of China's sensitivity toward Thailand's initiative on the issue. China and Philippines have just had quarrels over the Spratlys.

"We shouldn't float the idea with Vietnam which cares about China's feeling on the issue," a Thai minister said.

Mr Kiet told Mr Banhan Vietnamese who had lived in Thailand a long time would be encouraged to return to their homeland.

Mr Kiet also said he welcomed Thailand's pledge to set up an economic development assistance fund to support infrastructure projects in Vietnam, Cambodia and Laos.

However, he asked Thailand to soften its conditions on the U.S. $150 million in loans that the Bank of Thailand, with the Exim Bank and other Thai financial institutions, provided for the State Bank of Vietnam.

Mr Banhan agreed to discuss the issue with Thai officials.

The leaders agreed to cooperate on Mekong subregional development.

"Banhan said if the other countries in the region became ASEAN members, talks on Mekong development would be easier and deeper," said a Thai senior official based in Hanoi.

Thailand asked Vietnam to make things easier for Thais to invest in Vietnam.

Vietnam agreed Route 9 linking Vietnam, Laos and Thailand should be developed, providing there was full agreement from Laos.

The 250-kilometre road would connect Mukdahan province with Savannakhet in Laos and Quang Tri in Vietnam.

"Kiet said Route 18 should also be considered if Cambodia is more developed," said the source. That would link Phnom Penh and Ho Chi Minh City.

Mr Banhan paid a courtesy call on President Le Duc Anh and Communist Party secretary-general Do Muoi befor presiding over the foundation ceremony for a Thai-Vietnamese hotel and office project.

### Further on Meeting

*BK0110142995 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 1 Oct 95*

[FBIS Translated Text] At the Presidential Palace in Hanoi on 1 October, Prime Minister Vo Van Kiet held talks with Thai Prime Minister Banhan Sinlapa-acha, who is currently on a working visit to Vietnam.

Attending the talks on the Vietnamese side were Deputy Prime Minister Tran Duc Luong, Finance Minister Ho Te, Deputy Foreign Minister Vu Khoan, Vietnamese Ambassador to Thailand Le Cong Phung, and high-ranking officials of the Government Office, the State Planning Commission, the State Bank, the Ministries of Foreign Affairs and Commerce, and the State Committee for Cooperation and Investment. Attending the talks on the Thai side were Deputy Prime Minister Amnuai Wirawan, Finance Minister Surakiat Sathianthai, Foreign Ministry Permanent Secretary Thep Thewakun, Thai Ambassador to Vietnam Chaloemphon Ek-uru, and many other Thai high-ranking officials.

Prime Minister Vo Van Kiet warmly welcomed Prime Minister Banhan Sinlapa-acha's working visit to Vietnam. He said that the visit is a significant event manifesting the new Thai Government's policy on strengthening relations of friendship and cooperation with Vietnam.

At the talks, both sides informed each other of the situation in their respective countries and discussed measures to expand relations between the two nations and among the ASEAN countries. They exchanged views on a number of international and regional issues of mutual concern. The Thai Prime Minister expressed his delight in having the chance to visit Vietnam. He sincerely thanked Prime Minister Vo Van Kiet, the Vietnamese Government and the people of Vietnam for the warm welcome extended to him and his entourage. Prime Minister Banhan welcomed the achievements recorded by Vietnam in its renovation. He also welcomed Vietnam's success in the foreign affairs arena including its full membership to ASEAN. He said that this was an event of great significance promoting the trend of peace, stability, cooperation, and prosperity in the region.

Both sides expressed satisfaction at the rapid development of the fine relations of friendship and multifaceted cooperation between the two nations during the past several years. They unanimously agreed on concrete measures to expand and accelerate cooperation in various domains in the framework of the bilateral, sub-regional, and ASEAN cooperation. Both sides agreed to encourage contacts and cooperation between sectors of the two countries in the economic, trade, scientific-technological, cultural, and social fields. They also agreed to convene a conference of the Joint Committee for Economic and Technical Cooperation soon to discuss the implementation of agreements reached by the two prime ministers.

Prime Minister Vo Van Kiet highly praised the Thai Government's assistance to Vietnam in the public health, education, and training domains. He welcomed the Thai Government's decision to set up funds to help countries in the region and its initiative to establish friendship association in each country to promote bilateral cooperation.

Both sides expressed satisfaction on developments recorded in the meetings and the talks between officials of the two countries to resolve various pending issues. They agreed to promote these efforts to create conditions for long-term cooperation.

Prime Minister Vo Van Kiet, on behalf of the Vietnamese Government and people, asked the Thai Prime Minister to convey his kind regards to the Thai people, especially the people in the flood- stricken areas. He wished the Thai people success in their efforts to overcome the consequences of the recent flash floods and to quickly stabilize their daily life.

On this occasion, the Thai Prime Minister invited Prime Minister Vo Van Kiet to attend the Fifth ASEAN Summit and the first summit of the 10 Southeast Asian nations to be convened in Thailand late this year. Prime Minister Vo Van Kiet accepted the invitation with pleasure.

The two prime ministers expressed the belief that the fine success of Prime Minister Banhan's visit to Vietnam will contribute to enhancing the relations of friendship and cooperation between the two nations for the interests of the Vietnamese and Thai peoples and for peace, stability, cooperation, and prosperity in the region and the rest of the world.

The talks proceeded in an atmosphere of friendship, sincerity, and mutual understanding.

### Meets With Le Duc Anh

*BK0210081895 Hanoi VNA in English 0644 GMT 2 Oct 95*

[FBIS Transcribed Text] Hanoi VNA October 1 — Vietnamese state President Le Duc Anh received here this afternoon Thai Prime Minister Banhan Sinlapa-acha.

The Thai prime minister express his satisfaction and informed President Anh of the results of the talks between the Vietnamese and Thai prime ministers. He also expressed his pleasure at the achievements recorded by the Vietnamese people in their national renovation and construction.

He said he believed that the friendship and economic cooperation between Vietnam and Thailand will have new and effective steps in their development.

Speaking to his guest, President Anh welcomed Prime Minister Banhan's visit to Vietnam as a manifestation of a continuous development of the friendship and cooperation between the two countries. He stressed the need to further promote the bilateral cooperation between the two nations, especially in economy and trade, and to coordinate with other countries in the region to make researches and effectively exploit the Mekong river's potential and to reduce its disadvantages in the interests of the two peoples, for stability, cooperation and development in the region.

President Anh asked Prime Minister Banhan to convey his best regards to the Thai king and queen.

### Meets With Leaders, Departs

*BK0210093195 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 1 Oct 95*

[FBIS Translated Text] Mr. Banhan Sinlapa-acha, prime minister of the Kingdom of Thailand, and his wife arrived in Hanoi yesterday afternoon, 1 October, to pay a working visit at the invitation of our country's prime minister. Following a welcoming ceremony at the presidential office compound, Prime Minister Vo Van Kiet held talks with Prime Minister Banhan Sinlapa-acha.

Also at the presidential office on the afternoon of 1 October, State President Le Duc Anh cordially received a courtesy visit from Mr. Banhan Sinlapa-acha, prime minister of the Kingdom of Thailand. His excellency Banhan Sinlapa-acha briefed President Le Duc Anh on the results of the talks between the two prime ministers, expressing his pleasure with them. He also expressed his pleasure at the Vietnamese people's many achievements in the cause of national renovation and construction. He expressed his hope and belief that the friendly relations and cooperation between Thailand and Vietnam in various areas — economics, trade, and hi-tech industry — will develop effectively.

President Le Duc Anh welcomed the working visit by Prime Minister Banhan Sinlapa-acha, regarding it as a manifestation of continual development in the friendly and cooperative relations between the two countries. The president thanked the Thai prime minister for his goodwill toward Vietnam and briefed the latter on some aspects of our national socioeconomic situation. He stressed the need to increase bilateral cooperation in the economic and trade areas; cooperate with other countries in the region in accelerating studies to exploit the potential of the Mekong River while limiting adverse affects; and make practical contributions for the benefit of the two countries and for regional stability, cooperation, and development.

On the afternoon of 1 October, Thai Prime Minister Banhan Sinlapa-acha and his entourage paid a courtesy visit on General Secretary Do Muoi. Prime Minister Banhan Sinlapa-acha expressed his joy over his visit to Vietnam and his pleasure at the results of his various meetings and talks with Vietnamese leaders. He said the Thai Government, both in the past and at present, always treasures the need to increase cooperation with Vietnam. It has created the conditions to offer capital loans and encourage increased investment in Vietnam, especially in the agricultural field. He also pledged that his new government will continue looking into and satisfactorily resolving the question of allowing Vietnamese residents to obtain Thai citizenship. It will also protect their rights.

General Secretary Do Muoi hailed Prime Minister Banhan Sinlapa-acha's visit for bringing to our people the neighborly and friendly sentiments of the Thai people. The general secretary affirmed that Vietnam's policy is to expand and increase cooperation with other countries in the world, especially with neighboring and regional countries. He expressed the hope that friendly relations and all-around cooperation between the two countries will be further consolidated and developed under the new Thai government.

The same afternoon, Prime Minister Banhan Sinlapa-acha attended a ground breaking ceremony in Hanoi for the construction of the Trung Tam Hotel, a joint venture project between Thailand's SAF Trade Corporation and the Electromechanical Machinery Plant under the Vietnamese Ministry of Heavy Industry.

Prime Minister Banhan Sinlapa-acha and the Thai Government delegation left for home on the afternoon of 1 October, thus satisfactorily concluding their working visit to our country.

### Leaders Pleased at Development of PRC Ties

*BK0110081495 Hanoi VNA in English*
*1526 GMT 30 Sep 95*

[FBIS Transcribed Text] Hanoi VNA Sept.30. — Vietnamese leaders have expressed in a message of greetings their pleasure at the new remarkable development in the Sino-Vietnamese friendly ties over the past years.

The message, jointly signed by party General Secretary Do Muoi, state President Le Duc Anh, Prime Minister Vo Van Kiet and National Assembly Chairman Nong Duc Manh was addressed to party General Secretary and State President Jiang Zemin, Premier Li Peng, and Chairman of the Standing Committee of the National People's Congress of China Qiao Shi.

The message occasioned by the 46th national day of the People's Republic of China (Oct.1) also praised the great achievements recorded by the Chinese Government and people on the way to build socialism with Chinese characteristics in the recent past.

'We believe that with common efforts by both sides the traditional friendship and mutually-beneficial cooperation between Vietnam and China will be constantly consolidated and developed, thus serving the interests and aspiration of the people of the two countries and benefiting peace, stability and development in the region and the world at large,' the Vietnamese leaders noted in the message.

Also today, Foreign Minister Nguyen Manh Cam extended greetings to his Chinese counterpart, Mr Qian Qichen.

### Foreign Minister Leaves for Trade Conference

*BK0210082595 Hanoi VNA in English*
*0550 GMT 2 Oct 95*

[FBIS Transcribed Text] Hanoi VNA October 2nd — A Vietnamese delegation left here yesterday for the United States to attend the conference 'The Normalisation of Vietnam-US Trade Relations — The Next Steps' jointly organised by the Vietnamese-American Chamber of Commerce (VACC) and the Asian Fund.

The delegation led by Foreign Minister Nguyen Manh Cam and Minister of Commerce Le Van Triet leaves for the US at the invitation of the Vietnamese-American Chamber of Commerce.

Participating in the conference, from the US side were representatives of the US Government and Congress, and representatives of American companies and organisations who wish to boost the trade ties with Vietnam.

The two sides will discuss matters concerning the trade ties between Vietnam and the US, thus enhancing mutual understanding and creating favourable conditions for the coming trade negotiations between the two countries.

While in the US, the delegation will have working sessions with leaders of US economic sectors and other American corporations.

### Commentary Hails Seminar on U.S. Economic Ties

*BK0210112395 Hanoi Voice of Vietnam in English*
*1000 GMT 2 Oct 95*

[Station commentary]

[FBIS Transcribed Text] Vietnamese Foreign Minister Nguyen Manh Cam and Trade Minister Le Van Triet will attend a U.S. seminar on the next steps of normalizing economic relations between Vietnam and the United States. It is another opportunity to promote economic and trade ties. Following is our radio's comment:

The seminar is being organized by the U.S.-Vietnam Commercial Committee in collaboration with the Asian Funds. It is an important event in bilateral relations. It will be held about three months after the full normalization of relations between the two countries. During the U.S. Secretary of State Warren Christopher's visit to Vietnam in August, the two countries agreed that the initial essential steps should be taken to promote economic and trade cooperation. However, in order to achieve bilateral economic and trade cooperation, the two sides have to study each other's regulations, policies, and requirements before conducting negotiations and concluding agreements on trade, investment, and cooperation. As a result, one of the main targets of the seminar will be the exchange of views between representatives of the government, companies, and economic organizations of both the United States and Vietnam on issues relating to economic and trade ties.

The seminar will help the two sides to understand each other, and at the same time, create favorable conditions for future economic and trade negotiations.

Over 120 U.S. organizations and companies have officially opened representative offices in Vietnam, 43 projects between the U.S. and Vietnam are underway with the total capital of over $1 billion. In the first three months of this year, two-way trade turnover was over $200 million, which was as much as the last 10 months of 1994. American officials remarked that cooperation between the two countries was remarkably developing, and foreign economic observers said the seminar would push that process along even further.

### Assembly Standing Committee Meets 26-28 Sep

*BK0110155895 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 1 Oct 95*

[Communique of the National Assembly Standing Committee issued in Hanoi; date not given]

[FBIS Translated Text] The National Assembly Standing Committee has issued a communique indicating that the committee met in Hanoi from 26-28 September 1995 under the direction of National Assembly Chairman Nong Duc Manh.

1. The committee reviewed the preparations for the Ninth National Assembly's eighth session and noted that the Government, National Assembly organs and delegations, and the other agencies concerned made active efforts to prepare for the issues that are their responsibility to guarantee results for the session. The committee gave its views on a number of key issues to be discussed at the session, such as the implementation of tasks for 1995 based on the National Assembly resolutions; the orientations, tasks, and state budget estimates for 1996; the perfection of the Civil Code based on views solicited from the people, sectors and echelons, and National Assembly deputies; administrative reform; and a number of other important issues, which will be presented to the upcoming National Assembly session. Based on the review of the aforementioned issues, the committee anticipated topics that need to be discussed by the National Assembly deputies like improving guidance and supervision to create conditions so the session can take place in a democratic atmosphere as stipulated by law so that it can score fine results. The committee also requested the agencies concerned to continue making preparations in all fields to guarantee a successful session.

2. The committee heard a report of the activities of our National Assembly delegation to the 16th general assembly of the ASEAN Inter-Parliamentary Organization (AIPO). On that occasion, a solemn ceremony was held on 19 September 1995 to admit the National Assembly of the Socialist Republic of Vietnam to AIPO. The committee unanimously maintained that the Vietnamese National Assembly's full AIPO membership would create more favorable conditions for our country to make a worthy contribution to the cause of peace, security, stability, cooperation, sustainable development, and prosperity in the region as well as in the Asia-Pacific region and other parts of the world.

The committee also heard a report on the official visits by our National Assembly delegation, led by National Assembly Chairman Nong Duc Manh, to the Republic of Indonesia and the Republic of Singapore from 11-23 September 1995. The committee valued the results of the visits because they have contributed to the strengthening of friendly and cooperative ties between our National Assembly and the people and the Indonesian and Singaporean National Assemblies and their peoples.

3. On the recommendations of the Chief Procurator of the Supreme People's Organ of Control, the committee approved the list of additional members of the Control Committee of the Supreme People's Organ of Control.

### Police Strengthen Crackdown on Economic Crimes

*BK0210095795 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 2 Oct 95*

[FBIS Translated Text] Implementing party lines and policies on suppression of corruption and smuggling, the People's Police Force, especially the economic police, have drawn on their experiences and made greater efforts in building its force, enhancing its professional skill, and strengthening suppression of economic crimes, corruption, and smuggling.

Over the past nine months, 17,234 economic crimes occurred, 1,521 of them involved violations to socialist property that caused losses of over 200 billion dong, and 15,713 cases of smuggling and drug trafficking. The police confiscated goods and assets worth over 486 billion dong. These achievements greatly contributed to eliminating negativism, crimes, corruption, and smuggling.

### Army Paper Condemns 'Reactionary' Plot

*BK3009154295 Hanoi QUAN DOI NHAN DAN in Vietnamese 12 Sep 95 p 3*

[Article by Khoi Nguyen: "Stop the Virulent Fire Starter"]

[FBIS Translated Text] During the "Send Fire to Our Homeland" campaign carried out several years ago, many reactionary documents from overseas found their way into Vietnam. The enemy aimed an attack on our people's confidence with hopes to eventually create a "major insurrection" and deal a final blow to the leadership of our party. During the last days of April, the Hanoi International Post Office received a number of small packages originating from Japan, West Germany, Canada, and other countries with no return addresses. The packages were addressed to high-ranking party leaders, and deputy leaders of some state sectors and agencies and when opened were found to contain music video tapes labeled "Love Songs Selection."

Under the directive of senior leaders and with a high sense of vigilance to all cunning sabotage plots of the enemy, our customs cadres based at these post offices — such as Le My Hao, Le Xuan Hai, Ho Thanh Tap, and Vu Van Long — reported their suspicion to their superiors. The inspection of these videotapes reveals that apart from some nostalgic songs expressing sentiments towards the homeland, there were also selected scenes depicting the political crisis in East Europe with dubbed-in highly fanatic audio comments. Using the call for "democracy" and "pluralism," those overseas reactionary forces were plotting to overthrow our political regime and urging the people to drop socialism. At almost the same time, international sections of other post offices received the same packages with these unexpected "gifts." In Ho Chi Minh City these "virulent fire starters" were sent in even greater number. On 5 and 6 June alone, the Ho Chi Minh City security force seized 349 psychological warfare documents with bad contents that call for pluralism and multiparty system. These documents were from the United States and France and were addressed to many individuals and agencies in the city area.

In Hanoi, in addition to the "Love Songs Selection," some publications were included in the packages such as "Thong Luan" [Discussion], "Lang Van" [Literature Circle], "Viet Nam Moi" [New Vietnam], and so forth. Other publications by exiled Vietnamese organizations were among those sent to Vietnam for the purpose of "amassing all small breezes into a rough hurricane" that would sweep away our regime. The publication of "Ban Tron Viet Nam Tu Quyet" [Round Table for Self-Determined Vietnam] Issue No. 1, which was distributed in February 1990, was used as their basic "manual" and sent to many addresses of Hanoi's people and offices.

Thanks to the heightened vigilant sense of our customs and security combatants, those "virulent fire starters" did not make their way to the intended addresses. The "fire starters" have changed into rotten ashes and were blown away by strong wind.

Our enemy always invents new villainous tricks. After the failure of the "fire starter", what will be their next ploy? Our customs combatants, with heightened revolutionary vigilance and outstanding professionalism, will determinedly crush from the very start all rebellious plots of the enemy.

### Pacific Forum Says 2d French Test Worsens Ties

*BK0210083395 Hong Kong AFP in English 0815 GMT 2 Oct 95*

[FBIS Transcribed Text] SUVA, Oct 2 (AFP) — France's second nuclear test will further damage its relations with the South Pacific Forum, the organisation's top official said here Monday.

"France is in absolutely no doubt about the region's total opposition to the nuclear testing," said secretary general Ieremia Tabai.

The latest French blast, set off underground at Fangataufa atoll in French Polynesia, will strengthen the region's resolve in opposing these tests and "damage further France's relations with the Forum countries," Tabai said.

He reiterated the "extreme outrage" expressed by the 16-member forum at its annual meeting in Papua New Guinea last month.

"The forum will continue to take all possible opportunities to work with international opinion to oppose the tests," Tabai said.

He would be consulting with Papua New Guinea Prime Minister Sir Julius Chan, the current forum chairman, to decide on further steps in the campaign "in direct response to France's latest blatant disregard to world and regional opinion," Tabai said.

In a statement on nuclear testing following their meeting, the forum leaders said that "should France continue its testing in the Pacific the forum will review France's status as a post-forum dialogue partner."

In Sydney, acting Australian foreign minister Bob McMullan said Australia would be pleased if the forum reconsidered the proposal to suspend France's dialogue-partner status.

Representatives of the forum hold discussions with partner countries after the annual meetings.

## Australia

### Keating Pressures France To Sign Test Ban

*BK3009095495 Hong Kong AFP in English 0447 GMT 30 Sep 95*

[FBIS Transcribed Text] Sydney, Sept 30 (AFP) — Australia will sign no new uranium contracts with France until it signs the comprehensive test ban treaty under a motion moved by Prime Minister Paul Keating at a Labor Party conference here Saturday.

The motion, passed unanimously by the New South Wales state conference, also called on Canberra to ensure existing uranium contracts make no direct or indirect contribution to France's test program.

Keating told his home state conference that France's resumed testing at Mururoa Atoll in the South Pacific had reminded the world that there were still 50,000 nuclear warheads "floating around".

The motion was believed to be the first ever moved by a prime minister at a Labor Party state conference in New South Wales. Although party conference motions are not usually binding on the government, party officials say there is no doubt this one will be regarded as binding, having been moved by the prime minister.

The Keating Labor government has been criticised and accused of hypocrisy both here and in France for not banning uranium exports to France.

Australia sends 272 tonnes of uranium oxide concentrate a year to France at 40,000 dollars (30,000 US) a tonne — almost 11 million dollars a year — under a long-term contract with the energy utility Electricite de France.

France could easily acquire the supply — which is only about three percent of its annual uranium requirement — elsewhere at about half the price, but is bound by contracts which Australia will not cancel.

Keating told the conference Australia's opposition was not against France or the French people but directed toward Chirac and his government.

Keating, who has said that any ban on uranium to France would hurt Australia more than it would hurt France, said his government would use all forums to keep the pressure on France.

"I can assure you the government will fight this to the end," Keating said in commending the motion to delegates.

### Keating Bans Uranium Contracts With France

*BK3009124395 Melbourne Radio Australia in English 1100 GMT 30 Sep 95*

[FBIS Transcribed Text] The Australian prime minister, Paul Keating, says the country will sign no new uranium contracts with France until it signs a treaty banning all nuclear tests. Mr. Keating was speaking in Sydney at a conference of the New South Wales branch of the ruling Labor Party. The conference unanimously passed a motion calling for no further uranium sales to France until it signs the Comprehensive Test Ban Treaty. The motion was introduced by the prime minister himself and party officials say it will be regarded as binding on the government.

Australia exports several hundred tons of uranium oxide to France annually. The French were expected to carry out a second nuclear test soon at Mururoa Atoll in French Polynesia.

### French Envoy Summoned To Receive Protest

*BK0210025895 Melbourne Radio Australia in English 0100 GMT 2 Oct 95*

[FBIS Transcribed Text] As reported earlier in the world bulletin, Australian Prime Minister Paul Keating has deplored the latest French test. Mr. Keating said the test ignores the understandable outrage of the international community at the French Government's first test and compounds the sense of anger felt by regional countries as result of continued testing.

In a statement the prime minister said the test runs against common sense. Mr. Keating said France's good name in the region and around the world has been further damaged and the test goes against the wishes of the 71 percent of the French people who want their government to stop nuclear testing in the Pacific.

Mr. Keating said Australia's campaign will continue with the same vigor until all testing is stopped.

The Australian Government has summoned the French ambassador to Parliament in Canberra to receive Australia's condemnation of the second nuclear test explosion in French Polynesia. A short time ago, Australian officials were still finalizing arrangements, but they said Ambassador Dominique Girard would see either Mr. Keating or the acting foreign affairs minister, Bob McMullan.

### Envoy Refuses To Apologize for Test

*BK0210065695 Melbourne Radio Australia in English 0500 GMT 2 Oct 95*

[FBIS Transcribed Text] France's ambassador to Australia claims the nuclear testing program in French Polynesia is helping world efforts against nuclear weapons. Australia has strongly condemned the latest French nuclear test in the South Pacific. Stuart Heather reports that Ambassador Dominique Girard says the tests make France one of the most active negotiators towards a comprehensive test ban treaty.

[Begin recording] [Heather] Ambassador Girard says France was one of the first countries to commit itself to sign the treaty and it wants a safe and sure test ban with the smallest possible nuclear testing threshold. The ambassador says France has no reason to apologize to the regional or world community for its testing program.

[Girard] We have nothing to apologize about. Again, we are doing what we are doing in the most reasonable way with the utmost precaution and so we have nothing to apologize about. That's pretty clear I think.

[Heather] France's ambassador was speaking as he came and went from Canberra's Parliament House where he had been called in to hear Australia's protest personally from the Acting Foreign Minister Bob McMullan. [end recording]

Senator McMullan says he conveyed to Ambassador Girard the strength of Australia's anti-nuclear protests and concerns about the potential environmental and health consequences. He urged France to close its nuclear testing facilities as soon as possible.

[Begin McMullan recording] I don't think anybody who has studied the political issue — the president of France — expects that he will likely change the publicly declared position. But each tests makes all — I don't think just me, I don't think there is anything peculiar that me or the Australian Government — makes every Australian a little angrier and a little sadder. [end recording]

### McMullan Warns U.S. Against Wheat Sale in Asia

*BK0210103295 Melbourne Radio Australia in English 0630 GMT 2 Oct 95*

[From the "International Report" program]

[FBIS Transcribed Text] Australia's trade minister, Bob McMullan, has warned the United States any move to subsidize wheat sales in Asian markets would be illegitimate and wrong. Senator McMullan told Lintel Curtis in Canberra it's not the first indication Australia has had the U.S. is considering using its subsidies.

[Begin recording] [McMullan] Secretary of Agriculture Dan Glickman said something similar previously but up until now there haven't been any outcome of those statements. The overall United States Administration's position has remained not to extend subsidies in the Asian market and we hope and intend to work very hard to make sure that will continue.

[Curtis] Is it a legitimate move by the U.S. to try and gain market share in the long term in what is a growing market?

[McMullan] It is clearly not a legitimate move. It is absolutely wild in principle and flies in the face of assurances they have given us. If they were to do this, I'm not yet convinced they will; if they were to do this it would be a very unreasonable action, which has caused us serious concern.

[Curtis] What can Australia do if the U.S. does go ahead and use subsidies in Asia's markets?

[McMullan] Well, I don't want to talk about that too much. Our position is, essentially, that they should not and we will try to make sure they don't get into our path and make sure they do know. Most people in the United States Administration realize it is not in the U.S. interests either to do this. Certainly not. This year when the prices are so strong and the demand is so deep then we sell our product without these crazy subsidy.

[Curtis] So it would be a waste of the U.S. money. On their part, money they don't need to spend to get people to buy their wheat.

[McMullan] Well, you know, the States Government is trying to persuade the world to cheer about cutting its budget and it gives around throwing its money away to bring markets it could win and all it does is lower the prices. I think it makes no sense in the United States' national interests, certainly against Australia's interests, and my general advice to them is that they should if they are looking for budget cuts this is where they should start.

[Curtis] Australia has been fighting against the Export Enhance Program for a number of years it has also argued the issue of free trade in agricultural through the GATT and also in APEC [Asia-Pacific Economic Cooperation]. Has change happened only very slowly?

[McMullan] Well, it's happening too slowly. I mean [for] over 40 years we got almost nothing. In the last couple of years we started to make some headway and that's welcomed but it is not enough. We are not satisfied and we will press, bilaterally regionally, through APEC and multi-literally through pressing for a new round of multi-lateral trade talks as soon as possible with the support of other free-trading agricultural countries through our Cairns Group connection to try to constrain the subsidies forever. [end recording]

### Farmers Outraged at U.S. Subsidized Wheat Sale

*BK0110115795 Melbourne Radio Australia in English 0500 GMT 1 Oct 95*

[FBIS Transcribed Text] Australia's farmers are outraged at the plans by the United States to sell subsidized wheat in traditional Australian markets. Washington has signalled a new push into Asia under its Export Enhancement Program. Australian growers are calling on the prime minister, Paul Keating, to try to stop the American moves, which they say will cost them millions of dollars. President of the New South Wales Farm Association, (Ian Donjus), says the push comes at a time when wheat prices are high and subsidies can't be justified on any level.

[Begin (Donjus) recording] [Words indistinct] obviously point out the realities of the market price of this point of time and, certainly, what is happening in the world — deregulation of trade in terms of, at least, getting rid of a lot of the potential subsidies around the world through the GATT agreement, etcetera — and, obviously, this spirit of what the American are trying to do at this stage of point, particularly — individually perhaps — is totally against what the world is trying to achieve. [end recording]

### Evans Not Attacking PRC Legal System

*BK0110085895 Melbourne Radio Australia in English 1100 GMT 30 Sep 95*

[FBIS Transcribed Text] Australia's foreign minister, Gareth Evans, says he has no intention of attacking the Chinese legal system in a campaign to seek the release of Australian businessman James Peng. Mr. Peng was sentenced by a court in Shenzhen, southern China, to severe a minimum of 16 years' jail and deportation on charges related to his business dealings in China. Philip Lasker reports from New York:

[Begin recording] [Lasker] Senator Evans who discussed the Peng case with China's foreign minister, Qian Qichen, was assured the circumstances of Mr. Peng's detention and the appeal for clemency would be discussed with the Chinese Government. Sen. Evans says an attack on China's legal system won't be part of the campaign to have him release.

[Evans] What we are about here is drawing attention to the adverse implications of this for China in terms of its... the willingness of people to do business inside the country and we're drawing attention to a number of specific matters that I have compassion essentially in character and go to a number of unhappy feature of the handling of the case but not the substantive evidentially tough questions.

[Lasker] Sen. Evans says Peng's lawyers can take up questions of law through the appeal process. [end recording]

## French Polynesia

### President Says No Rioting After 2d Nulcear Blast

*BK3009094195 Melbourne Radio Australia in English 0500 GMT 30 Sep 95*

[FBIS Transcribed Text] French Polynesian authorities say there are enough riot police on hand to contain any trouble from antinulcear protesting after the second French nuclear blast in the territory. South Pacific correspondent, Erina Reddan, reports from the capital, Papeete:

[Begin recording] [Reddan] French Polynesian President Gaston Flosse has assured the population that there will be no repeat of the riot in the first nuclear test (?start). A local television said if there is any trouble it will be contained by riot police. Two more squadrons, with 80 police each, were flown in overnight bringing the total in Papeete to nine squadrons. (Malcolm Otah) from the main Independence Party says Tavini supporters will not protest in the streets, they are going to concentrate on next March's election to win more political power.

[Otah] I think it is a measure of restraint for our party not to allow people to take advantage of any situation that could turn into turmoil because we are totally against any violence and we are for the democratic process only. [end recording]

### Papeete 'Calm' in Wake of Second Nuclear Test

*LD0210081695 Melbourne Radio Australia in English 0700 GMT 2 Oct 95*

[FBIS Transcribed Excerpt] In French Polynesia, more than 100 gendarmes are patrolling the streets of the capital, Papeete, following a nuclear test conducted earlier today at Fangataufa Atoll. [passage omitted] South Pacific correspondent Erina Reddan reports from Papeete:

[Reddan] The streets of Papeete remain calm in the wake of several antinuclear leaders calling for restraint. [passage omitted] Meanwhile, French authorities have released almost all antinuclear activists on board the Greenpeace vessel the Manutea, seized just before the nuclear test was detonated earlier. Only the captain is being held for questioning. [passage omitted]

### Antinuclear Movement Reportedly 'Crushed'

*LD0110111695 Melbourne Radio Australia in English 0700 GMT 1 Oct 95*

[FBIS Transcribed Text] In French Polynesia, an influential human rights lawyer says the antinuclear movement in the French territory has been crushed. South Pacific correspondent Erina Reddan reports from the capital, Papeete, that France's second nuclear blast in a series of seven or eight is expected shortly.

[Begin Reddan recording] The president of the Human Rights League, Stanley Cross, says it's unlikely the antinuclear movement will protest the second nuclear explosion. He says people will be too scared to voice their concern by marching in the streets. After the first nuclear test, on 5 September, there were two days of rioting. Since then France has more than trebled the police presence in Papeete in order to contain any violence following the second nuclear blast and Cross says the antinuclear movement has lost ground. The independence Tavini Party has already announced it will concentrate on next year's elections rather than taking further antinuclear action. Erina Reddan, Papeete. [end recording]

### France Seizes U.S. Greenpeace Ship, 6 Citizens

*BK0210005495 Hong Kong AFP in English 2135 GMT 1 Oct 95*

[Report by David Williams]

[FBIS Transcribed Text] Papeete, Oct 1 (AFP) — French commandos Sunday delivered a final blow to Greenpeace's anti-nuclear protest fleet, seizing its mothership Manutea in international waters, military authorities and Greenpeace said.

The US-flagged 38-metre (120-foot) Manutea schooner was the last remaining vessel in the environmental group's fleet outside the French nuclear test sites of Mururoa and Fangataufa atolls.

Military authorities said they arrested the Manutea after it unloaded a canoe with three Polynesians aboard which breached the 12 nautical mile exclusion zone around Mururoa atoll.

"The Manutea was seized illegally by the French in international waters, there is no doubt in anyone's terms that this is an international act of piracy," said Greenpeace spokeswoman Lynette Thorstensen here.

Thorstensen told a media conference in Tahiti that she could not categorically deny the canoe came from the Manutea because a message from the mothership was cut off after 20 seconds.

"We have no knowledge of this canoe, we do not believe it came from the Manutea nor yet are we even sure that it came from the peace flotilla," she said.

Commandos aboard two zodiac dinghies came along either side of the Manutea as dawn broke, Thorstensen said.

"We know they boarded the vessel and we know that she is currently under escort with French vessels inside the exclusion now," she added. The French military said the commandos were from the frigate Nivose.

The French warship "observed" the canoe leaving the Manutea at 12.00 a.m. (1000 GMT) with three Polynesians aboard, 13 nautical miles northwest of Mururoa, a military spokeswoman said.

French authorities could not immediately provide details of how the canoe was detected leaving the Manutea.

A military spokeswoman said the canoe was seized inside the exclusion zone, 10.5 nautical miles from Mururoa and at 4.58 a.m. Papeete time (1458 GMT) "Paris gave the order to take control" of the Greenpeace mother ship.

French navy commandos seized the Manutea at a 5.12 a.m. (1512 GMT) p.m. some 13 nautical miles northwest of Mururoa with 10 people aboard, she added.

Greenpeace said there were about eight people aboard including six US citizens.

The Manutea was seized under the same rules of pursuit which French authorites cited when taking the MV Greenpeace ship one month ago after its helicopter breached the exclusion zone, the military said.

Thorstensen said there were now eight vessels in the protest fleet, none from Greenpeace, but the environmental group expected to have an unnamed replacement ship in the area after a minimum of four days.

The Manutea "has obviously been very critical, she is the mothership to the fleet, that is why the French have targetted her just before the second test," she added.

"Even if we are left with just one placard in the streets we know that we represent the voices of many millions of people and our spirit remains as strong as ever."

She called on governments of the region and Europe who had opposed the tests to send defence vessels to the protest zone.

"It can't just be in this world that Greenpeace is the only organisation that takes action, our governments must take action, they must respond to the desires of their people at home," Thorsensen said.

The environmental group had contacted Washington about the seizure of the US-flagged ship, she said.

"We are making very high level contact now with personnel who report directly to (US Vice President) Al Gore and we are seeking to create as much fuss as we can about this piracy in the United States."

Thorstensen said Australian anti-nuclear activist Damian Meagher, who reached Fangataufa atoll Thursday and has been deported, reported "quite a deal of human activity around that suggests that a test is imminent."

France detonated its first of a series of six-to-eight underground nuclear tests on Mururoa atoll on September 5, unleashing international protest and two days of riots in the Tahitian capital Papeete.

The Atomic Energy Commission has said the second test — expected any time now — will be at the upper limit of the test program, reported as being equivalent to less than 150 kilotonnes of TNT. Such tests are normally conducted at Fangataufa.

### Greenpeace Condemns Second French Nuclear Test

*BK0210010595 Hong Kong AFP in English 0008 GMT 2 Oct 95*

[FBIS Transcribed Text] Papeete, Oct 1 (AFP) — Greenpeace Sunday condemned France's second nuclear test, conducted on Fangataufa atoll with a force equal to less than 110 kilotonnes of TNT.

"It is a completely outrageous act, it is totally unnecessary," Lynette Thorstensen, spokeswoman for Greenpeace, told AFP in Tahiti. "What exactly are they testing these outrageous and inhumane weapons for?"

Thorstensen said the test was a "huge affront to the people of the Pacific, to the people of Australia and New Zealand and anybody who cares about the future of their children living a peaceful way of life."

People had a right to feel "highly insulted by the activity of the French government," she said.

### French Nuclear Test Draws Strong Criticism

*BK0210024895 Hong Kong AFP in English 0223 GMT 2 Oct 95*

[FBIS Transcribed Text] Papeete, Oct 1 (AFP) — France detonated its second underground nuclear device Sunday, stunning Tahitian religious leaders who warned of renewed violence in the capital Papeete.

Ralph Teinaore, general secretary of the predominant Evangelical Church, said he was staggered France had insulted Tahitians' religion by testing its weapon on a Sunday.

"They don't care about the Sunday, they don't care about the religious life of these people, but today they have shown another aspect of their arrogance," he told AFP.

Pastors throughout Tahiti had issued calls for calm shortly before the test, he said, but the timing of the test put that in doubt. "The French are not doing their part ... in trying to respect the people's convictions."

The French military said the test at 1:30 p.m. Tahitian time (1130 GMT) had a blast equal to less than 110 kilotonnes of TNT, in the upper limit of its weapons program, and was conducted at Fangataufa atoll.

"The goal of this test was to guarantee the safety and reliability of the weapons in the future," said a written statement issued by the military.

France detonated its first of a series of six-to-eight underground nuclear tests on Mururoa atoll on September 5, unleashing two days of riots in which demonstrators torched the international airport at Papeete.

Nearby Fangataufa atoll is traditionally used for larger tests.

"The wounds of the first test are still open and our call for calm was to avoid violence, but we know there are some people who will listen and others who will feel they are free not to obey any call from us," Teinaore said.

France airlifted two 90-strong squadrons of gendarmes to Papeete on Wednesday, bringing the total force to 810, or nine squadrons, in addition to a locally-based force of 350 gendarmes spread across the territory.

Gaston Flosse, president of the French Polynesian Government, said he was confident they would maintain order.

"Every precaution has been taken to prevent the situation getting out of hand," he said adding that the strength of security was "sufficient" and there were no immediate signs of trouble.

The streets of Papeete appeared calm a few hours after the test.

George Mara, human rights coordinator of the Hiti Tau (It is Now Time to Act) umbrella group of nongovernmental organisations, said he was "very sorry" to hear of the second test.

"Despite all the efforts taken to make (French President Jacques) Chirac understand the situation, he did not take any notice of us — it seems like we don't exist," he said.

Mara said there were no demonstrations planned but the group would meet later to decide on further action.

Charlie Ching, leader of the independence group Free Tahitians said he would call members to protest Tuesday in the Tarahoi square in front of the high commission and territorial parliament.

Ching said the demonstration would pressure members of the territorial parliament and call for a debate about nuclear weapons.

Lynette Thorstensen, spokeswoman for Greenpeace, told AFP in Tahiti the test was "a completely outrageous act, it is totally unnecessary, what exactly are they testing these outrageous and inhumane weapons for?"

It was "a huge affront to the people of the Pacific, to the people of Australia and New Zealand and anybody who cares about the future of their children living a peaceful way of life," she said.

Earlier Sunday, French commandos delivered a crushing blow to Greenpeace's anti-nuclear protest fleet, seizing its mothership Manutea in international waters, military authorities and Greenpeace said.

The U.S.-flagged 38-metre (120-foot) Manutea schooner was the last remaining vessel in the environmental group's fleet outside the French nuclear test sites of Mururoa and Fangataufa atolls.

## New Zealand

### Minister: France, China Disregard World Opinion

*LD2909135895 Wellington Radio New Zealand International in English 0700 GMT 29 Sep 95*

[FBIS Transcribed Text] New Zealand's deputy prime minister and foreign minister, Don McKinnon, has accused France and China of showing a disregard for world opinion, saying it will take a long time to restore the trust. Mr. McKinnon has told the United Nations General Assembly at its annual debate that both Paris and Beijing are dancing to tune no one wants to hear. China and France are the only two official nuclear powers and permanent members of the UN Security Council to continue nuclear testing. The United States, Russia, and Britain have continued to observe a 1992 moratorium. Mr. McKinnon said a resolution will be submitted to the assembly which would condemn nuclear testing and demand it stop. The measure is expected to pass some time in November by an overwhelming majority.

### Government 'Outraged' at France Over New Test

*BK0210011395 Hong Kong AFP in English 0047 GMT 2 Oct 95*

[FBIS Transcribed Text] Wellington, Oct 2 (AFP) — New Zealand is outraged France is "thumbing its nose at world opinion" by conducting its second nuclear test in less than 30 days, Prime Minister Jim Bolger said Monday.

He said in a statement French Ambassador Jacques Le Blanc will be called in to hear New Zealand's protest.

"We will ask him to remind his government that this kind of activity is not acceptable in the South Pacific," Bolger said.

France resumed nuclear testing in the South Pacific in September, after a moratorium of more than three years.

In Paris, the French Defence Ministry announced it had conducted a nuclear test at Fangataufa atoll in French Polynesia.

Bolger noted the latest test after the South Pacific Forum's rejection of the nuclear tests.

The forum, which met last month in Papua New Guinea, expressed "extreme outrage" at the tests and warned that if another was carried out France would most likely be expelled for the annual dialogue sessions following the annual forums.

Bolger said the test was a step backward in the nuclear disarmament process.

"It is a wrong call for France politically and it is irresponsible environmentally," Bolger said.

Bolger said he found it difficult to put into words his "intense sense of frustration" at France's latest test.

"New Zealand had done all it could at the national level to get its message across," he said, adding, "Our focus will now shift to collective action at the regional and multilateral levels."

This would include raising the issue at the United Nation's 50th anniversary celebrations, at the Commonwealth Heads of Government meeting in Auckland next month and at the International Court of Justice.

"New Zealand has established a position at the forefront of international action against nuclear testing," Bolger said, adding, this position will be maintained.

"France's case of resumed nuclear testing simply does not hold up in today's world," he said.

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